

SCHOOL DISTRICT
OF
UNION BEACH
OF MONMOUTH COUNTY

Union Beach School District
Union Beach, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Union Beach School District
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Union Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION
1207 FLORENCE AVENUE
UNION BEACH, NJ 07735
732-264-3133**

December 16, 2024

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth, New Jersey

Dear Board Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Union Beach School District (District) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Management Discussion and Analysis, the District's organizational chart and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an enrollment of 606 students, which is 32 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year ACFRs.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	606	-5.000%
2022-23	638	-2.147%
2021-22	652	+0.0015%
2020-21	651	+0.0140%
2019-20	642	.0000%
2018-19	642	+0.7849%
2017-18	637	+7.601%
2016-17	592	-5.721%
2015-16	628	-0.011%

2) ECONOMIC CONDITION AND OUTLOOK: Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. This has resulted in an impact on the tax basis in the current and future years to come.

3) MAJOR INITIATIVES: The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5)BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

6)ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7)CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8)RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9)OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Union Beach Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

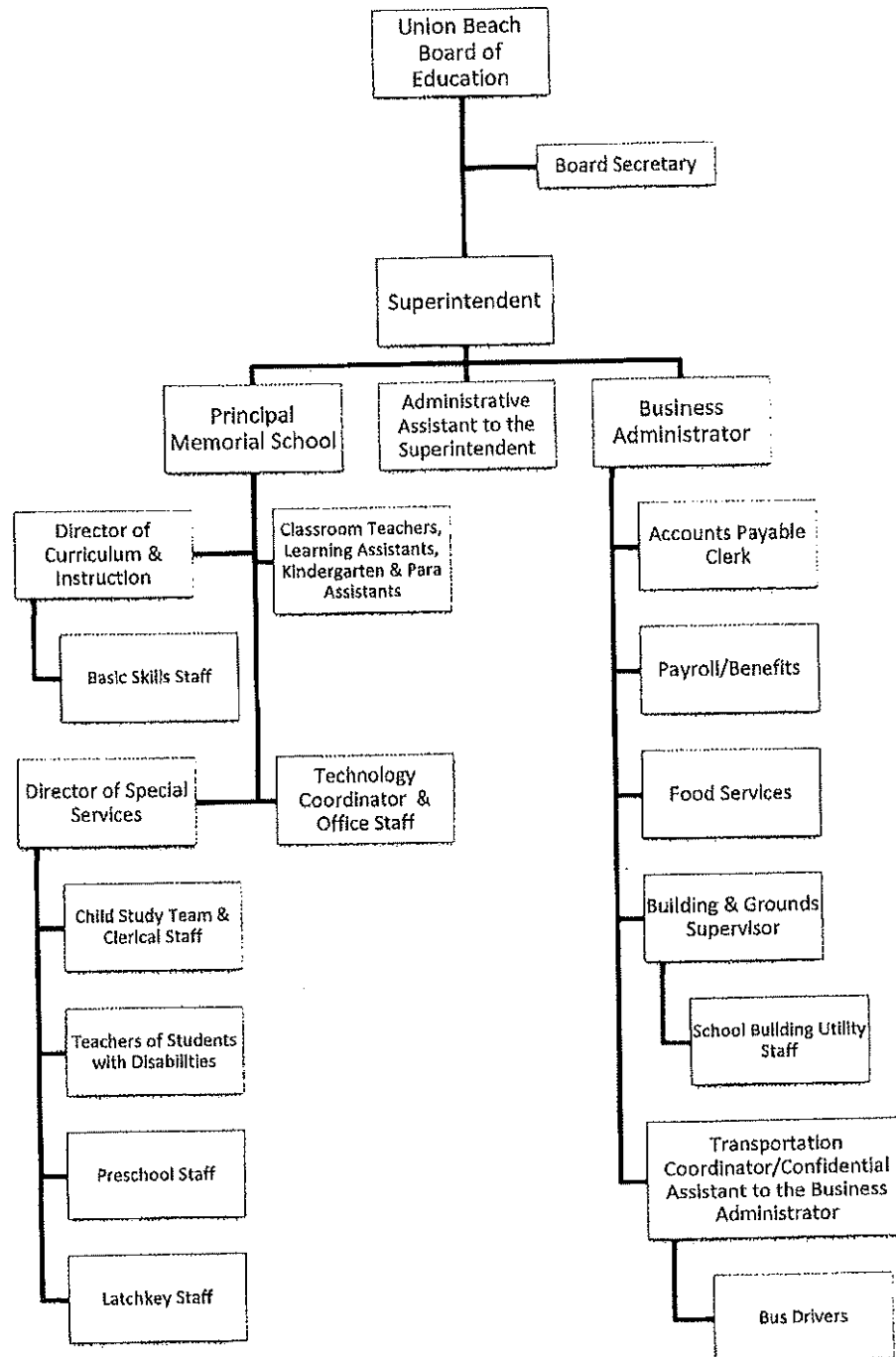


Amanda M. Lewert
Superintendent



George Gahles
~~Interim~~ School Business
Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 22 May 2018

Union Beach School District
Union Beach, New Jersey

Roster of Officials
June 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angela Cocuzza, President	2026
Adam Sampson, Vice President	2024
Katherine Gilkison	2026
Lois Ann DeRupo	2024
Heidi Lewis	2025
Eva Neno	2026
Jeannette Van Houten	2024
Danielle Riccardi	2025
Virginia Schellato	2024

Other Officials

Amanda M. Lewert, Superintendent

George Gahles, School Business Administrator/Board Secretary

Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, NJ 08753

Attorney

Kenney, Gross, Kovats & Parton
130 Maple Avenue
Building 8
Red Bank, NJ 07701

Official Depositories

Provident Bank

State of NJ Cash Management Fund

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Union Beach School District:
County of Monmouth
Union Beach, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union Beach School District in the County of Monmouth, State of New Jersey as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Union Beach School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Union Beach School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Union Beach School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Union Beach School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Union Beach School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

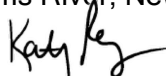
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024 on our consideration of Union Beach School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Beach School District internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Beach School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Union Beach School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2024 are as follows:

Net position totaled \$11,374,116, which represents a 16.38 percent increase from June 30, 2023.

General revenues accounted for \$18,131,721 in revenue or 93.07 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,350,351 or 6.93 percent of total revenues of \$19,482,072.

Total assets increased by \$2,586,904 as current assets decreased by \$1,208,871 and capital assets, net increased by \$3,795,775.

The School Board had \$17,880,883 in expenses; only \$1,350,351 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$18,131,721 were adequate to provide for these programs.

Among major funds, the General Fund had \$14,587,169 in revenues and \$15,321,316 in expenditures and transfers. The General Fund's balance decreased \$734,147 over June 30, 2023. The General Fund's balance is \$4,323,894.

Using this Annual Comprehensive Financial Report (ACFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Union Beach School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Union Beach School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2024 and 2023.

Table 1

Net Position as of June 30, 2024 and June 30, 2023

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 4,214,260	\$ 299,007	\$ 4,513,267	\$ 5,426,670	\$ 295,468	\$ 5,722,138
Capital assets, net	10,799,716	-	10,799,716	7,003,941	-	7,003,941
Total assets	15,013,976	299,007	15,312,983	12,430,611	295,468	12,726,079
Deferred outflow of resources	285,138	-	285,138	422,187	-	422,187
Liabilities:						
Current liabilities	212,031	-	212,031	305,563	6,645	312,208
Long-term liabilities outstanding	3,726,230	-	3,726,230	2,627,180	-	2,627,180
Total liabilities	3,938,261	-	3,938,261	2,932,743	6,645	2,939,388
Deferred inflow of resources	285,744	-	285,744	435,951	-	435,951
Net position:						
Net investment in capital assets	9,422,866	-	9,422,866	7,003,941	-	7,003,941
Restricted	4,334,423	-	4,334,423	3,546,583	-	3,546,583
Unrestricted	(2,682,180)	299,007	(2,383,173)	(1,066,420)	288,823	(777,597)
Total Net Position	<u>\$ 11,075,109</u>	<u>\$ 299,007</u>	<u>\$ 11,374,116</u>	<u>\$ 9,484,104</u>	<u>\$ 288,823</u>	<u>\$ 9,772,927</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$11,374,116 on June 30, 2024. This is a change of 16.38% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2024 and 2023.

Table 2

Changes in Net Position

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 65,449	\$ 307,322	\$ 372,771	\$ 62,847	\$ 254,124	\$ 316,971
Operating and capital grants and contributions	769,391	208,189	977,580	727,092	219,866	946,958
General revenues:						
Property taxes	7,845,458	-	7,845,458	7,500,791	-	7,500,791
Federal and state aid	10,239,657	-	10,239,657	9,713,926	-	9,713,926
Investment earnings	7,988	701	8,689	13,392	257	13,649
Miscellaneous	37,917	-	37,917	25,116	-	25,116
Total revenues	18,965,860	516,212	19,482,072	18,043,164	474,247	18,517,411
Expenses						
Instructional services	5,111,661	-	5,111,661	5,085,659	-	5,085,659
Support services	12,255,931	506,028	12,761,959	11,730,486	512,003	12,242,489
Interest on long-term liabilities	7,263	-	7,263	-	-	-
Total expenses	17,374,855	506,028	17,880,883	16,816,145	512,003	17,328,148
Change in net position	1,591,005	10,184	1,601,189	1,227,019	(37,756)	1,189,263
Net position - beginning	9,484,104	288,823	9,772,927	8,257,085	326,579	8,583,664
Net position (deficit) - ending	\$ 11,075,109	\$ 299,007	\$ 11,374,116	\$ 9,484,104	\$ 288,823	\$ 9,772,927

The tax levy increase was due in general to cover increased costs in salaries and benefits and utilities. The Federal and State aid-restricted increased due to Stabilization Aid received from the state and Monies received for COVID relief.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements, partially offset by cost containment strategies.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2024

Business-Type Activities

Revenues for the District's business-type activities (food service program and child care) were comprised of charges for services and royalties.

Total Enterprise Fund revenue exceeded expenses by \$10,184.

Charges for services represent \$307,322 of revenue. This represents latch key income and the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$208,189.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 5,111,661	\$ 5,105,792	\$ 5,085,659	\$ 5,085,659
Support Services:				
Pupils and Instructional Staff	8,263,955	7,434,984	7,900,196	7,110,257
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,189,671	3,189,671	2,970,501	2,970,501
Pupil Transportation	802,305	802,305	859,789	859,789
Interest and Fiscal Charges	<u>7,263</u>	<u>7,263</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 17,374,855</u>	<u>\$ 16,540,015</u>	<u>\$ 16,816,145</u>	<u>\$ 16,026,206</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Union Beach, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2024, it reported a combined fund balance of \$4,009,492, which is a decrease of \$1,111,615. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2024.

<u>Revenue</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 7,956,812	41.95 %	\$ 354,666	4.67 %
State Sources	9,541,341	50.31	492,802	5.45
Federal Sources	<u>1,467,707</u>	<u>7.74</u>	<u>75,228</u>	<u>5.40</u>
Total	<u>\$ 18,965,860</u>	<u>100.00 %</u>	<u>\$ 922,696</u>	<u>(5.11)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2024.

<u>Expenditures</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 5,111,661	23.82 %	\$ 26,002	0.51 %
Undistributed				
Expenditures	12,128,262	56.53	590,512	5.12
Capital Outlay	<u>4,214,402</u>	<u>19.65</u>	<u>3,161,384</u>	<u>300.22</u>
Total	<u>\$ 21,454,325</u>	<u>100.00 %</u>	<u>\$ 3,777,898</u>	<u>21.37 %</u>

General Fund Budgeting Highlights

The School Board's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$2,020,748 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$46,893 less than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 488,263
Capital Reserve	1,481,878
Maintenance Reserve	543,172
Emergency Reserve	50,307
Tuition Reserve	1,000,000
Unemployment compensation	99,752
Excess Surplus - Current Year	985,453

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases, and the effects of the Corona Pandemic which attributed to decreased cost of support, substitute and transportation service costs in addition to general supplies being purchased at better prices and through the use of Corona Relief Grant funds. The district continues to participate in co-op purchasing and energy consumption agreements. Every effort is made to find jointures with other local districts, and increase students on district owned vehicles so as to lower district transportation costs for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2023-2024 fiscal year and will be used to reduce the local tax levy for the 2025-2026 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2024, the School Board had \$10,799,716 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2024 and June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,381,000	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000	\$ 1,381,000
Construction in Progress	2,858,214	-	-	-	2,858,214	-
Building and Improvements	5,533,151	5,343,174	-	-	5,533,151	5,343,174
Machinery and Equipment	1,027,351	279,767	-	-	1,027,351	279,767
Total	<u>\$ 10,799,716</u>	<u>\$ 7,003,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,799,716</u>	<u>\$ 7,003,941</u>

During the current fiscal year, \$1,297,446 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities:

	June 30, 2024	June 30, 2023
Loans Payable (net)	\$ 1,376,850	\$ -
Pension liability-PERS	1,810,212	2,053,414
Compensated absences payable	<u>539,168</u>	<u>573,766</u>
Total long-term liabilities	<u>\$ 3,726,230</u>	<u>\$ 2,627,180</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2023-2024 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 58.05% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 41.95% of total revenue is from local sources.

The \$(2,682,180) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2023-2024 budget was adopted in March 2023 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, will be minimal if any. Future anticipated decreases in state education aid will eventually place additional burden on the Borough of Union Beach for increased funding to the school district.

The School Board anticipates a slight increase in enrollment for the 2024-2025 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Avenue, Union Beach, NJ, 07735.

BASIC FINANCIAL STATEMENTS

UNION BEACH SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 1,778,876	\$ 514,914	\$ 2,293,790
Restricted	383,577	-	383,577
Receivables - other	-	2,324	2,324
Receivables - state	302,060	1,729	303,789
Receivables - federal	1,498,876	28,588	1,527,464
Inventory	-	2,323	2,323
Due from other funds	250,871	(250,871)	-
Capital assets, non-depreciable	4,239,214	-	4,239,214
Capital assets, depreciable, net	6,560,502	-	6,560,502
Total assets	<u>15,013,976</u>	<u>299,007</u>	<u>15,312,983</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	285,138	-	285,138
	<u>285,138</u>	<u>-</u>	<u>285,138</u>
LIABILITIES			
Accounts payable	7,500	-	7,500
Accrued payroll	76,157	-	76,157
Other liabilities	-	-	-
Unearned revenue	121,111	-	121,111
Noncurrent liabilities:			
Due within one year	1,376,850	-	1,376,850
Due beyond one year	2,349,380	-	2,349,380
Total liabilities	<u>3,938,261</u>	<u>-</u>	<u>3,938,261</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	285,744	-	285,744
	<u>285,744</u>	<u>-</u>	<u>285,744</u>
NET POSITION			
Investment in capital assets	9,422,866	-	9,422,866
Restricted for:			
Student activities	52,612	-	52,612
Unemployment compensation	99,752	-	99,752
Capital projects	1,114,864	-	1,114,864
Other purposes	3,067,195	-	3,067,195
Unrestricted	(2,682,180)	299,007	(2,383,173)
Total net position	<u>\$ 11,075,109</u>	<u>\$ 299,007</u>	<u>\$ 11,374,116</u>

UNION BEACH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,852,536	\$ 5,869	\$ -	\$ -	\$ (3,846,667)	\$ -	\$ (3,846,667)
Special schools instruction	1,209,826	-	-	-	(1,209,826)	-	(1,209,826)
Other special instruction	49,299				(49,299)		(49,299)
Support services and undistributed costs:							
Instruction	5,783,738	-	-	-	(5,783,738)		(5,783,738)
Health services	89,145	-	-	-	(89,145)	-	(89,145)
Other support services	1,607,473	59,580	-	-	(1,547,893)	-	(1,547,893)
Educational media services	12,542	-	-	-	(12,542)	-	(12,542)
Instruction staff training	1,666	-	-	-	(1,666)	-	(1,666)
General administrative services	423,244	-	-	-	(423,244)	-	(423,244)
School administrative services	227,031	-	-	-	(227,031)	-	(227,031)
Central services	220,930	-	-	-	(220,930)	-	(220,930)
Admin info technology	87,460	-	-	-	(87,460)	-	(87,460)
Allowed maintenance for school facilities	47,832	-	-	-	(47,832)	-	(47,832)
Other operation & maintenance of plant	797,605	-	-	-	(797,605)	-	(797,605)
Care and upkeep of grounds	28,232	-	-	-	(28,232)	-	(28,232)
Security	18,454	-	-	-	(18,454)	-	(18,454)
Student transportation services	802,305	-	-	-	(802,305)	-	(802,305)
Unallocated employee benefits	1,338,883	-	-	-	(1,338,883)	-	(1,338,883)
Non-budgeted expenses	769,391	-	769,391	-	-		-
Interest expense	7,263	-	-	-	(7,263)	-	(7,263)
Total governmental activities	17,374,855	65,449	769,391	-	(16,540,015)	-	(16,540,015)
Business-type activities:							
Food service	373,009	122,830	208,189	-	-	(41,990)	(41,990)
Latchkey Program	133,019	184,492	-	-	-	51,473	51,473
Total business-type activities	506,028	307,322	208,189	-	-	9,483	9,483
Total primary government	\$ 17,880,883	\$ 372,771	\$ 977,580	\$ -	(16,540,015)	9,483	(16,530,532)
General revenues:							
Taxes:							
Property taxes levied for general purpose					7,845,458	-	7,845,458
Federal and state aid					10,239,657	-	10,239,657
Miscellaneous income					37,917	-	37,917
Investment earnings					7,988	701	8,689
Total general revenues					18,131,020	701	18,131,721
Change in net position					1,591,005	10,184	1,601,189
Net position—beginning					9,484,104	288,823	9,772,927
Net position—ending					\$ 11,075,109	\$ 299,007	\$ 11,374,116

UNION BEACH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	3,699,564	(1,325,153)	(367,014)	-	2,007,397
Capital reserve	155,056	-	-	-	155,056
Due from other funds	250,871	-	-	-	250,871
Receivables - State	302,060	-	-	-	302,060
Receivables - Federal	-	1,498,876	-	-	1,498,876
Total assets	<u>4,407,551</u>	<u>173,723</u>	<u>(367,014)</u>	<u>-</u>	<u>4,214,260</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	7,500	-	-	-	7,500
Accrued salaries and benefits	10	-	-	-	10
Payroll deductions and withholding payable	76,147	-	-	-	76,147
Interfund payable	-	-	-	-	-
Unearned revenue	-	121,111	-	-	121,111
Other current liabilities	-	-	-	-	-
Total liabilities	<u>83,657</u>	<u>121,111</u>	<u>-</u>	<u>-</u>	<u>204,768</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	1,481,878	-	-	-	1,481,878
Maintenance reserve account	543,172	-	-	-	543,172
Emergency reserve account	50,307	-	-	-	50,307
Tuition reserve	1,000,000	-	-	-	1,000,000
Unemployment compensation	99,752	-	-	-	99,752
Excess surplus	985,453	-	-	-	985,453
Excess surplus -- designated for					
Subsequent year's expenditures	488,263	-	-	-	488,263
Other - Community Disaster Loan	-	-	-	-	-
Student activities	-	52,612	-	-	52,612
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	(367,014)	-	(367,014)
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	102,114	-	-	-	102,114
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned to:					
General fund	(427,045)	-	-	-	(427,045)
Total fund balances	<u>4,323,894</u>	<u>52,612</u>	<u>(367,014)</u>	<u>-</u>	<u>4,009,492</u>
Total liabilities and fund balances	<u>4,407,551</u>	<u>173,723</u>	<u>(367,014)</u>	<u>-</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,799,716
Deferred outflows related to the PERS pension plan	285,138
Deferred inflows related to the PERS pension plan	(285,744)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(3,726,230)</u>
Net position of governmental activities	<u>11,075,109</u>

UNION BEACH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	7,845,458	-	-	-	7,845,458
Interest earned on unemployment-restricted	-	-	-	-	-
Interest earned on emergency reserve	-	-	-	-	-
Interest earned on maintenance reserve	-	-	-	-	-
Interest earned on capital reserve funds	7,988	-	-	-	7,988
Interest income	-	-	-	-	-
Miscellaneous	37,917	59,580	-	-	97,497
Total - Local Sources	7,897,232	59,580	-	-	7,956,812
State sources	6,689,937	1,737,054	1,114,350	-	9,541,341
Federal sources	-	1,467,707	-	-	1,467,707
Total revenues	14,587,169	3,264,341	1,114,350	-	18,965,860
EXPENDITURES					
Current:					
Regular instruction	2,070,190	1,782,346	-	-	3,852,536
Special education instruction	1,209,826	-	-	-	1,209,826
Other special instruction	49,299	-	-	-	49,299
Undistributed - current:					
Instruction	5,546,574	-	-	-	5,546,574
Health services	89,145	-	-	-	89,145
Other support services	416,573	1,118,923	-	-	1,535,496
Educational media services	12,542	-	-	-	12,542
Instruction staff training	1,666	-	-	-	1,666
General administrative services	407,769	-	-	-	407,769
School administrative services	227,031	-	-	-	227,031
Allowed maintenance for school facilities	47,832	-	-	-	47,832
Other operation & maintenance of plant	712,232	-	-	-	712,232
Care and upkeep of grounds	28,232	-	-	-	28,232
Security	18,454	-	-	-	18,454
Student transportation services	793,667	-	-	-	793,667
Central services	220,930	-	-	-	220,930
Admin info technology	87,460	-	-	-	87,460
Unallocated employee benefits	1,629,841	-	-	-	1,629,841
Non-budgeted expenditures	769,391	-	-	-	769,391
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	982,662	373,526	2,858,214	-	4,214,402
Total expenditures	15,321,316	3,274,795	2,858,214	-	21,454,325
Excess (Deficiency) of revenues over expenditures	(734,147)	(10,454)	(1,743,864)	-	(2,488,465)
OTHER FINANCING SOURCES (USES)					
Temporary Bond Proceeds	-	-	1,376,850	-	1,376,850
Total other financing sources and uses	-	-	1,376,850	-	1,376,850
Net change in fund balances	(734,147)	(10,454)	(367,014)	-	(1,111,615)
Fund balance—July 1	5,058,041	63,066	-	-	5,121,107
Fund balance—June 30	4,323,894	52,612	(367,014)	-	4,009,492

UNION BEACH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2)	\$	(1,111,615)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(359,885)	
Capital outlays	<u>4,155,660</u>	3,795,775

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		256,360
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The receipt of the temporary note in the governmental funds is an other financing source, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities.		(1,376,850)
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In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid.		<u>34,598</u>
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Change in net position of governmental activities	\$	<u>1,591,005</u>
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UNION BEACH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type-activities- Enterprise Funds		
	Food Service	LatchKey Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 270,477	\$ 244,437	\$ 514,914
Accounts receivable - State	1,729	-	1,729
Accounts receivable - Federal	28,588	-	28,588
Interfund receivable	-	-	-
Other receivables	2,324	-	2,324
Inventories	2,323	-	2,323
Total current assets	<u>305,441</u>	<u>244,437</u>	<u>549,878</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	<u>(338,751)</u>	<u>-</u>	<u>(338,751)</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>305,441</u></u>	<u><u>244,437</u></u>	<u><u>549,878</u></u>
LIABILITIES			
Current liabilities:			
Due to Fed Gov.	-	-	-
Unearned revenue	-	-	-
Interfund payable	250,871	-	250,871
Total current liabilities	<u>250,871</u>	<u>-</u>	<u>250,871</u>
NET POSITION			
Investment in capital assets	-	-	-
Contributed capital	-	-	-
Restricted for:			
Capital projects	-	-	-
Unrestricted	54,570	244,437	299,007
Total net position	<u>54,570</u>	<u>244,437</u>	<u>299,007</u>
Total liabilities and net position	<u><u>\$ 305,441</u></u>	<u><u>\$ 244,437</u></u>	<u><u>\$ 549,878</u></u>

UNION BEACH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Fund		
	Food Service	LatchKey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 122,830	\$ -	\$ 122,830
Tuition	-	184,492	184,492
Total operating revenues	122,830	184,492	307,322
Operating expenses:			
Cost of sales - reimbursable programs	168,930	-	168,930
Salaries	113,571	130,167	243,738
Employee benefits	23,182	-	23,182
Purchased property services	41,780	-	41,780
Other purchased professional services	15,080	2,852	17,932
General supplies	10,466	-	10,466
Depreciation	-	-	-
Total Operating Expenses	373,009	133,019	506,028
Operating income (loss)	(250,179)	51,473	(198,706)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	8,533	-	8,533
State school lunch program breakfast	427	-	427
Federal sources:			
National school lunch program	143,344	-	143,344
National school breakfast program	7,351	-	7,351
PEBT	653	-	653
Supply Chain Assisatance	19,205	-	19,205
Food distribution program	28,676	-	28,676
Interest and investment revenue	701	-	701
Total nonoperating revenues (expenses)	208,890	-	208,890
Change in net position	(41,289)	51,473	10,184
Total net position—beginning	95,859	192,964	288,823
Total net position—ending	\$ 54,570	\$ 244,437	\$ 299,007

UNION BEACH SCHOOL DISTRICT
Statement of Cash Flows
Food Services Enterprise Fund
For the Year Ended June 30, 2024

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 124,471	\$ 184,492	\$ 308,963
Payments to employees	(113,571)	(133,019)	(246,590)
Payments for employee benefits	(23,182)	-	(23,182)
Payments to suppliers	(207,701)	-	(207,701)
Net cash provided by (used in) operating activities	<u>(219,983)</u>	<u>51,473</u>	<u>(168,510)</u>
Cash Flows from Noncapital Financing Activities			
State sources	7,599	-	7,599
Federal sources	143,232	-	143,232
Net cash provided by (used in) noncapital financing activities	<u>150,831</u>	<u>-</u>	<u>150,831</u>
Cash Flows from Investing Activities			
Interest income	701	-	701
Net cash provided by (used in) investment activities	<u>701</u>	<u>-</u>	<u>701</u>
Net increase (decrease) in cash and cash equivalents	(68,451)	51,473	(16,978)
Balances-beginning of the year	338,928	192,964	531,892
Balances-end of the year	<u>\$ 270,477</u>	<u>\$ 244,437</u>	<u>\$ 514,914</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (250,179)	\$ 51,473	\$ (198,706)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:			
Depreciation	-	-	-
Federal commodities	28,676	-	28,676
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	-	-	-
(Increase) decrease in accounts receivable	1,641	-	1,641
(Increase) decrease in inventory	(121)	-	(121)
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in interfund payable	-	-	-
Total adjustments	<u>30,196</u>	<u>-</u>	<u>30,196</u>
Net cash provided by (used in) operating activities	<u>\$ (219,983)</u>	<u>\$ 51,473</u>	<u>\$ (168,510)</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

The Financial statements of the Board of Education ("Board") of the Union Beach School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 622 students at June 30, 2024.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Union Beach. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation (Cont'd):

The School District has no items which have been classified as a Deferred Outflow and no items that have been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 12.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted by Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for all proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following proprietary funds

Enterprise Fund - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes

The District's Enterprise Fund is comprised of the Food Service Fund and Latchkey.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

C. Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Basis of Accounting (Cont'd):

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

D. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted and approved by the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

E. Budgets/Budgetary Control: (Cont'd)

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2024, there was a reconciling difference of \$(1,769,969) between the budgetary basis and GAAP basis in the General Fund and of \$267,577 in the Special Revenue Fund.

Exhibit C-3 presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

F. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd):

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Standards Board. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's Policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Enterprise Fund.

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

Accrued Liabilities and Long-Term Obligations:

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd):

Net Position:

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves:

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd):

Revenues - Exchange and Nonexchange Transactions:

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and latchkey program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd):

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. GASB Pronouncements:

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

G. GASB Pronouncements: (continued)

Recently Issued Accounting Pronouncements to be implemented in future years (continued)

Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

2. Capital Reserve Account

A Capital Reserve Account was established by the Union Beach School District in October 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance July 1, 2023	\$ 1,321,090
Add:	
Increase per Resolution	352,800
Interest Earnings	7,988
Less:	
Withdrawals in budget	<u>(200,000)</u>
Ending Balance, June 30, 2024	<u>\$ 1,481,878</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

The activity of the Maintenance Reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 543,172
Add:	
Increase per Board Resolution	47,200
Interest Earnings	-
Less:	
Withdrawals in budget	<u>(47,200)</u>
Ending balance, June 30, 2024	<u>\$ 543,172</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 50,307
Add:	
Increase per Board Resolution	-
Interest Earned	<u>-</u>
Ending balance, June 30, 2024	<u>\$ 50,307</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

5. Tuition Reserve Account

A Tuition Reserve Account was established by the Union Beach School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance tuition charges required for a thorough and efficient education.

The activity of the Tuition Reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance, July 1, 2023	\$ 1,000,000
Add:	
Increase per Board Resolution	600,000
Less:	
Budgeted utilization	(600,000)
Balance, June 30, 2024	<u>\$ 1,000,000</u>

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

6. Deposits and Investments (Cont'd)

At June 30, 2024, the Board's bank balances of \$4,479,460 were exposed to Custodial Credit Risk as follows:

	<u>2024</u>
Insured	\$ 405,056
Uninsured and Uncollateralized	<u>4,074,404</u>
	<u>\$ 4,479,460</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2024, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>
New Jersey Cash Management Fund	\$155,056	AAA	AAA

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

7. Receivables

Receivables at June 30, 2024, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 302,060	\$ 303,789
Federal Aid	1,498,876	1,527,464
Other	-	2,324
Interfunds	<u>250,871</u>	<u>-</u>
	2,051,807	1,833,577
Less: Allowance for Credit Losses	-	-
Total Receivables, Net	<u>\$ 2,051,807</u>	<u>\$ 1,833,577</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2024 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 250,871	\$ -
Enterprise Fund	<u>-</u>	<u>250,871</u>
	<u>\$ 250,871</u>	<u>\$ 250,871</u>

The Enterprise Fund owes the General Fund for cash advances.

9. Inventory

As of June 30, 2024, the District had the following inventory:

Food	\$ 1,222
Supplies	<u>1,101</u>
	<u>\$ 2,323</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2024. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000
Construction in Progress	<u>-</u>	<u>2,858,214</u>	<u>-</u>	<u>2,858,214</u>
Total Capital Assets Not Being Depreciated	<u>1,381,000</u>	<u>2,858,214</u>	<u>-</u>	<u>4,239,214</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	10,872,163	434,797	-	11,306,960
Machinery and Equipment	<u>1,438,661</u>	<u>862,649</u>	<u>-</u>	<u>2,301,310</u>
Totals at Historical Cost	<u>13,244,867</u>	<u>1,297,446</u>	<u>-</u>	<u>14,542,313</u>
Less Accumulated Depreciation for:				
Site Improvements	(491,083)	(18,681)	-	(509,764)
Building and Building Improvements	(5,971,949)	(226,139)	-	(6,198,088)
Machinery and Equipment	<u>(1,158,894)</u>	<u>(115,065)</u>	<u>-</u>	<u>(1,273,959)</u>
Total Accumulated Depreciation	<u>(7,621,926)</u>	<u>(359,885)</u>	<u>-</u>	<u>(7,981,811)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,622,941</u>	<u>937,561</u>	<u>-</u>	<u>6,560,502</u>
Government Activity Capital Assets, Net	<u>\$ 7,003,941</u>	<u>\$ 3,795,775</u>	<u>\$ -</u>	<u>\$10,799,716</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 338,751	\$ -	\$ -	\$ 338,751
Less Accumulated Depreciation	<u>(338,751)</u>	<u>-</u>	<u>-</u>	<u>(338,751)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

10. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 237,164
Student and Instruction Related Services	71,977
General Administration Services	15,475
Plant Operations and Maintenance	26,631
Student Transportation Services	<u>8,638</u>
Total	<u>\$ 359,885</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2024, are as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 573,766	\$ (34,598)	\$ 539,168	\$ -
Temporary Notes	-	1,376,850	1,376,850	1,376,850
Pension liability - PERS	<u>2,053,414</u>	<u>(243,202)</u>	<u>1,810,212</u>	<u>-</u>
	<u>\$ 2,627,180</u>	<u>\$ 1,099,050</u>	<u>\$ 3,726,230</u>	<u>\$ 1,376,850</u>

For governmental activities, the temporary note is liquidated from the School District's debt service fund. Compensated absences payable and pension liability - PERS are liquidated from the general fund.

B. Temporary Notes

The District entered into a temporary note agreement with the Township of East Brunswick in the amount of \$1,376,850 to pay the final portion of the Energy Saving Improvement Program Project. The note matures May 2025 and has an interest rate of 4.22%.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

11. Long-Term Obligations (Cont'd)

B. Temporary Notes (Cont'd)

Principal and interest due on temporary note outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ <u>1,376,850</u>	\$ <u>58,103</u>	\$ <u>1,434,953</u>
	\$ <u>1,376,850</u>	\$ <u>58,103</u>	\$ <u>1,434,953</u>

C. Bonds Authorized But Not Issued

As of June 30, 2024, the District had no authorized but not issued bonds.

D. Capital Leases

As of June 30, 2024, the District had no capital leases.

E. Operating Leases

As of June 30, 2024, the District had no operating leases.

12. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Financial Statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At

June 30, 2024, the School District reported a liability of \$1,810,212 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The School District's proportion measured as of June 30, 2023 was .0124976875%, which was an decrease of .0011088522% from its proportion measured as of June 30, 2022.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

For the year ended June 30, 2024, the School District recognized full accrual pension expense of \$77,734 in the government-wide financial statements consisting of employer contributions of \$167,035 and non-employer contributions of \$(89,301). This pension expense was based on the pension plans June 30, 2023 measurement date. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 17,308	\$ 7,400
Changes of assumptions	3,977	109,707
Net difference between projected and actual earnings on pension plan investments	8,336	-
Changes in proportion and differences between District contributions and proportionate share of contributions	83,906	168,637
District contributions subsequent to the measurement date	171,611	-
Total	<u>\$ 285,138</u>	<u>\$ 285,744</u>

\$171,611 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2023-2024 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (188,136)
2025	(105,010)
2026	146,745
2027	(26,262)
2028	446
Total	<u>\$ (172,217)</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2024. At June 30, 2024, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2023 measurement date was \$5,645.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:	2.75% - 6.55%
	Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-U.S. Developed Markets Equity	12.75 %	9.22 %
International Small Cap Equity	1.25 %	9.22 %
Emerging Markets Equity	5.50 %	11.13 %
Private Equity	13.00 %	12.50 %
Real Estate	8.00 %	8.58 %
Real Assets	3.00 %	8.40 %
High Yield	4.50 %	6.97 %
Private Credit	8.00 %	9.20 %
Investment Grade Credit	7.00 %	5.19 %
Cash Equivalents	2.00 %	3.31 %
U.S. Treasuries	4.00 %	3.31 %
Risk Mitigation Strategies	3.00 %	6.21 %

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	2,376,378	1,810,212	1,356,581

Additional Information - The following is a summary of the collective balances of the local group :

	<u>6/30/24</u>	<u>6/30/23</u>
Collective Deferred Outflows of Resources	1,080,204,730	1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
School District's Portion	.0124976875%	.0136065397%

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Financial Statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2024 was \$18,805,600. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the TPAF net pension liability attributable to the School District was .0368501193%, which was an decrease of .0014975071% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized a pension expense in the amount of \$- for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2023 measurement date.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-U.S. Developed Markets Equity	12.75 %	9.22 %
International Small Cap Equity	1.25 %	9.22 %
Emerging Markets Equity	5.50 %	11.13 %
Private Equity	13.00 %	12.50 %
Real Estate	8.00 %	8.58 %
Real Assets	3.00 %	8.40 %
High Yield	4.50 %	6.97 %
Private Credit	8.00 %	9.20 %
Investment Grade Credit	7.00 %	5.19 %
Cash Equivalents	2.00 %	3.31 %
U.S. Treasuries	4.00 %	3.31 %
Risk Mitigation Strategies	3.00 %	6.21 %

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	22,208,800	18,805,600	15,991,767

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information - The following is a summary of the collective balances of the local group

	<u>6/30/24</u>	<u>6/30/23</u>
Collective Deferred Outflows of Resources	2,502,380,838	5,004,259,321
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
School District's Portion	.0368501193%	.0383476264%

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2024 were \$27,333. There was no liability for unpaid contributions at June 30, 2024.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

13. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefits Local Education Retired Employees Plan. The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

13. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Plan description and benefits provided

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefits Local Education Retired Employees Plan of the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	152,383
Active plan members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases based on years of service:	PERS 2.275%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-4.25%
Discount Rate	3.65%
Healthcare Cost Trend Rates	4.5%-6.5%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Total Nonemployer OPEB Liability (Cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2022	\$ 50,646,462,966
Changes for the year:	
Service cost	2,136,235,476
Interest on the total OPEB liability	1,844,113,951
Changes of benefit terms	-
Differences between expected and actual experiences	(980,424,863)
Changes in assumptions	105,539,463
Gross benefit payments by the state	(1,437,516,858)
Contributions from members	<u>47,258,104</u>
Net changes	<u>1,715,205,273</u>
Balance at June 30, 2023	<u>\$ 52,361,668,239</u>

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability of the State for School Retirees	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835
Total OPEB Liability of the State Associated with the School District for School Retirees	\$36,317,017	\$30,978,538	\$26,692,360

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320
Total OPEB Liability of the State Associated with the School District for School Retirees	\$25,716,963	\$30,978,538	\$37,863,323

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$456,792 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Union Beach School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,639,717,639	\$ 13,791,541,217
Changes of assumptions	7,445,895,322	14,449,948,556
Contributions made in fiscal year ending 2024 after June 30, 2023 measurement date	TBD	-
Total	<u>\$ 15,085,612,961</u>	<u>\$ 28,241,489,773</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
Total	<u>\$ (13,155,876,812)</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2024

14. Deferred Compensation

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

Lincoln Investment Financial
Franklin Templeton
AXA Equitable

Metropolitan Life Insurance
Oppenheimer Funds
Siracusa

15. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and the previous two years.

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	\$ -	\$ 19,067	-	\$ -	\$ 99,752
2023	-	18,100	120	(118)	80,685
2022	-	37,520	93	(1,993)	62,583

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

16. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

17. Fund Balances

General Fund - of the \$4,323,894 General Fund balance at June 30, 2024, \$102,114 of encumbrances is assigned to other purposes, \$1,481,878 is restricted for capital reserve, \$543,172 is restricted for maintenance reserve, \$50,307 is restricted for emergency reserve, \$1,000,000 is restricted for tuition reserve, \$99,752 is restricted for unemployment compensation \$985,453 is restricted for excess surplus, \$488,263 is restricted for excess surplus for subsequent year expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, and \$(427,045) is unassigned.

Special Revenue Fund - of the \$52,612 Special Revenue Fund balance at June 30, 2024, \$52,612 is restricted for student activities.

18. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$985,453.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2024. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2021.

20. Subsequent Events

Management has evaluated subsequent events through December 16, 2024, the date the financial statements were available to be issued.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2024

21. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

22. Economic Dependency

The School district receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

23. Deficit Fund Balance

The District has a deficit fund balance of \$427,045 in the General Fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal June 30, 2024 year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$427,045 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 7,845,458	\$ -	\$ 7,845,458	\$ 7,845,458	\$ -
Tuition	-	-	-	5,869	5,869
Interest earned on emergency reserve	250	(250)	-	-	-
Interest earned on maintenance reserve	2,500	(2,500)	-	-	-
Interest earned on capital reserve funds	5,000	(5,000)	-	7,988	7,988
Miscellaneous	10,455	7,750	18,205	37,917	19,712
Total - local sources	7,863,663	-	7,863,663	7,897,232	33,569
State sources:					
Transportation aid	38,322	-	38,322	38,322	-
Special education aid	829,691	-	829,691	829,691	-
Equalization aid	4,576,368	-	4,576,368	4,576,368	-
Extraordinary aid	350,000	-	350,000	276,640	(73,360)
Security aid	281,392	-	281,392	281,392	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	680	680
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	456,792	456,792
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,678,373	1,678,373
TPAF social security (reimbursed - Non-budgeted)	-	-	-	311,919	311,919
Total state sources	6,075,773	-	6,075,773	8,459,906	2,384,133
Federal sources:					
Medicaid reimbursement	16,831	-	16,831	-	(16,831)
Total federal sources	16,831	-	16,831	-	(16,831)
Total revenues	13,956,267	-	13,956,267	16,357,138	2,400,871
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	254,695	16,960	271,655	266,457	5,198
Grades 1-5 - Salaries of teachers	936,423	31,656	968,079	854,208	113,871
Grades 6-8 - Salaries of teachers	710,957	80,229	791,186	766,172	25,014
Regular Programs - Home Instruction:					
Salaries of teachers		10,000	10,000	1,782	8,218
Regular Programs - Undistributed Instruction					
Other salaries for instruction	58,421	1,584	60,005	59,959	46
Other purchased services (400-500 series)	18,000	71	18,071	16,630	1,441
General supplies	73,909	5,036	78,945	36,377	42,568
Textbooks	8,000	-	8,000	5,856	2,144
Other objects	78,450	-	78,450	62,749	15,701
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,295,545	(11,154)	2,284,391	2,070,190	214,201

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	\$ 826,828	\$ 1,259	\$ 828,087	\$ 827,010	\$ 1,077
Other salaries for instruction	296,211	(32,066)	264,145	206,061	58,084
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Total Resource Room/Resource Center	1,124,039	(30,807)	1,093,232	1,033,071	60,161
Preschool Disabilities Part Time					
Salaries of teachers	77,856	(2,865)	74,991	74,505	486
Other salaries for instruction	80,185	37,485	117,670	102,250	15,420
Total Preschool Disabilities Full Time:	158,041	34,620	192,661	176,755	15,906
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,282,080	3,813	1,285,893	1,209,826	76,067
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	11,620	300	11,920	7,480	4,440
Purchased services (300-500 series)	1,800	1,310	3,110	3,110	-
Supplies and materials	6,200	(1,610)	4,590	2,782	1,808
Total School-Spon. Cocurric. Actvts. - Instruction	19,620	-	19,620	13,372	6,248
School-Spon. Athletics - Instruction					
Salaries	35,775	-	35,775	26,077	9,698
Other purchased services (300-500 series)	8,000	(652)	7,348	4,295	3,053
Supplies and materials	4,000	652	4,652	3,611	1,041
Other objects	2,050	-	2,050	1,944	106
Total School-Spon. Athletics - Instruction	49,825	-	49,825	35,927	13,898
Total Instruction	3,647,070	(7,341)	3,639,729	3,329,315	310,414
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	4,116,055	54,522	4,170,577	4,170,577	-
Tuition to other LEAs within the state - special	168,332	23,001	191,333	167,159	24,174
Tuition to Co. Voc. School Dist. - reg.	165,667	(54,522)	111,145	93,615	17,530
Tuition to Co. Voc. School Dist. - special	53,450	-	53,450	32,770	20,680
Tuition to private schools for the handicapped - Within state	1,510,341	(206,757)	1,303,584	1,082,453	221,131
Total Undistributed Expenditures - Instruction:	6,013,845	(183,756)	5,830,089	5,546,574	283,515
Undistributed Expenditures - Attend. & Social Work					
Salaries	500	2,266	2,766	2,728	38
Total Undistributed Expenditures - Attend. & Social Work	500	2,266	2,766	2,728	38
Undist. Expend. - Health Services					
Salaries	78,438	12,690	91,128	77,446	13,682
Purchased professional and technical services	6,650	350	7,000	7,000	-
Supplies and materials	5,000	(174)	4,826	4,035	791
Other objects	1,000	-	1,000	664	336
Total Undistributed Expenditures - Health Services	91,088	12,866	103,954	89,145	14,809
Undist. Expend. - Other Supp. Service - Stud. - Related Service					
Salaries of other professional staff	187,163	-	187,163	168,101	19,062
Purchased professional - educational services	58,724	13,604	72,328	61,458	10,870
Supplies and materials	10,200	(3,778)	6,422	3,079	3,343
Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.	256,087	9,826	265,913	232,638	33,275

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Other objects	\$ 500	\$ -	\$ 500	\$ -	\$ 500
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	500	-	500	-	500
Guidance					
Salaries of other professional staff	45,357	-	45,357	4,601	40,756
Purchased professional - educational services	1,500	947	2,447	2,184	263
Supplies and materials	1,500	(947)	553	295	258
Other purchased professional and technical services	-	1,750	1,750	1,750	-
Total Guidance	48,357	1,750	50,107	8,830	41,277
Child Study Teams					
Salaries of other professional staff	174,256	(692)	173,564	125,208	48,356
Salaries of secretarial and clerical assistants	33,090	692	33,782	33,782	-
Other purchased professional & tech services	10,000	1,414	11,414	11,414	-
Other purchased services (400-500 series)	2,500	-	2,500	-	2,500
Supplies and materials	2,600	-	2,600	1,823	777
Other objects	1,800	-	1,800	150	1,650
Total Child Study Teams	224,246	1,414	225,660	172,377	53,283
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	-	17,405	17,405	-	17,405
Total Undist. Expend. - Improvement of Instruction Services	-	17,405	17,405	-	17,405
Undist. Expend. - Educational Media Services/School Library					
Salaries	20,536	-	20,536	9,527	11,009
Purchased professional and technical services	1,100	16	1,116	1,116	-
Other purchased services (400-500 series)	500	-	500	-	500
Supplies and materials	3,000	(16)	2,984	1,899	1,085
Total Undist. Expend. - Ed. Media Services/School Library	25,136	-	25,136	12,542	12,594
Undist. Expend. - Instruction Staff Training Services					
Other purchased services (400-500 series)	5,100	-	5,100	1,666	3,434
Supplies and materials	100	-	100	-	100
Total Undist. Expend. - Instruction Staff Training Services	5,200	-	5,200	1,666	3,534
Undist. Expend. - Support Service - General Administration					
Salaries	206,796	-	206,796	206,628	168
Legal services	50,000	2,308	52,308	29,933	22,375
Audit fees	22,250	1,850	24,100	24,100	-
Architectural/Engineering Services	5,000	(4,486)	514	-	514
Purchased technical services	9,690	4,299	13,989	13,971	18
Communications/Telephone	61,500	13,140	74,640	72,989	1,651
Other Purchased Services	6,500	(1,688)	4,812	2,933	1,879
Other purchased services (400-500 series)	33,000	6,655	39,655	39,249	406
General supplies	6,000	(276)	5,724	3,097	2,627
In-House Training/Meeting Supplies	500	-	500	-	500
Miscellaneous expenditures	8,900	666	9,566	7,930	1,636
Membership Dues and Fees	8,000	(666)	7,334	6,939	395
Total Undist. Expend. - Support Service - Gen. Admin.	418,136	21,802	439,938	407,769	32,169

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	\$ 168,062	\$ -	\$ 168,062	\$ 154,409	\$ 13,653
Salaries of secretarial and clerical assistants	64,969	1,651	66,620	66,270	350
Other purchased services (400-500 series)	5,520	-	5,520	1,275	4,245
Supplies and materials	9,025	(1,602)	7,423	4,857	2,566
Other objects	2,000	-	2,000	220	1,780
Total Undist. Expend. - Support Service - School Admin.	249,576	49	249,625	227,031	22,594
Undist. Expend. - Support Service - Central Services					
Salaries	190,620	1,206	191,826	191,499	327
Purchased technical services	21,069	2,995	24,064	24,064	-
Miscellaneous purchased services (400-500 series)	2,200	-	2,200	2,134	66
Supplies and materials	4,000	(1,298)	2,702	1,758	944
Other objects	1,900	-	1,900	1,475	425
Total Undist. Expend. - Support Service - Central Services	219,789	2,903	222,692	220,930	1,762
Undist. Expend. - Support Service - Admin. Information Tech.					
Salaries	82,800	-	82,800	82,600	200
Purchased professional	4,000	860	4,860	4,860	-
Total Undist. Expend. - Support Service - Admin. Info. Tech.	86,800	860	87,660	87,460	200
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	45,444	6,344	51,788	39,191	12,597
General supplies	10,000	-	10,000	8,427	1,573
Other objects	1,000	(511)	489	214	275
Total Undist. Expend. - Required Maint. for School Facilities	56,444	5,833	62,277	47,832	14,445
Undist. Expend. - Custodial Services					
Salaries	337,722	17,865	355,587	350,967	4,620
Salaries of Non-Instructional Aids	35,816	5,660	41,476	41,476	-
Purchased professional and technical services	4,300	(230)	4,070	200	3,870
Cleaning, repair and maintenance services	14,852	(2,572)	12,280	8,915	3,365
Other purchased property services	33,000	-	33,000	32,920	80
Insurance	151,000	(3,600)	147,400	105,725	41,675
General supplies	30,000	3,696	33,696	16,310	17,386
Energy (Electricity)	96,940	9,662	106,602	99,953	6,649
Energy (Natural Gas)	65,940	13,982	79,922	51,860	28,062
Energy (Gasoline)	2,000	313	2,313	1,226	1,087
Other objects	4,800	(571)	4,229	2,680	1,549
Total Undist. Expend. - Custodial Services	776,370	44,205	820,575	712,232	108,343
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, repair and maintenance services	20,000	3,915	23,915	20,036	3,879
General supplies	7,500	696	8,196	8,196	-
Total Undist. Expend. - Care and Upkeep of Grounds	27,500	4,611	32,111	28,232	3,879
Undist. Expend. - Security					
Salaries	1,961	-	1,961	-	1,961
Cleaning, repair and maintenance services	6,200	30,120	36,320	15,359	20,961
General supplies	7,720	(4,147)	3,573	3,095	478
Total Undist. Expend. - Security	15,881	25,973	41,854	18,454	23,400

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aids	\$ 42,512	\$ 214	\$ 42,726	\$ 42,726	\$ -
Salaries for pupil transportation (between home and school) - Regular	74,748	30,370	105,118	105,118	-
Salaries for pupil transportation (between home and school) - Special	21,462	5,424	26,886	26,852	34
Other purchased professional & tech services	32,200	42,882	75,082	75,082	-
Cleaning, repair and maintenance services	25,000	(11,151)	13,849	13,747	102
Lease purchase payments - School buses	20,000	(2,809)	17,191	-	17,191
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	7,000	12,665	19,665	19,665	-
Contract services (between home & school) - Vendors	65,756	(7,000)	58,756	35,915	22,841
Contract services (other than between home & school) - Vendors	2,000	-	2,000	1,500	500
Contract services (between home & school) - joint agreements	35,000	31,310	66,310	31,121	35,189
Contract services - (Sp Ed) - vendors	9,450	-	9,450	-	9,450
Contract services - (regular education students) - ESCs & CTSAs	180,000	26,948	206,948	206,948	-
Contract services - (special education students) - ESCs & CTSAs	330,000	(21,499)	308,501	204,891	103,610
Miscellaneous purchased services - Transportation	15,600	-	15,600	1,215	14,385
Transportation Supplies	17,000	8,469	25,469	25,428	41
Misc. Expenditures	1,200	2,259	3,459	3,459	-
Total Undist. Expend. - Student Transportation Services	878,928	118,082	997,010	793,667	203,343
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	250	(250)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	250	(250)	-	-	-
Interest Earned on Current Expense Maintenance Reserve					
Interest earned on current expense maintenance reserve	2,500	(2,500)	-	-	-
Total Interest Earned on Current Expense Maintenance Reserve	2,500	(2,500)	-	-	-
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	400	776	1,176	1,176	-
Social security contributions	160,000	18,283	178,283	178,283	-
Other Retirement Contributions - PERS	165,000	6,611	171,611	171,611	-
Other Retirement Contributions - ERIP	13,200	7,848	21,048	4,458	16,590
Other Retirement Contributions - Regular	24,377	2,690	27,067	27,067	-
Unemployment compensation	20,000	-	20,000	8,535	11,465
Workmen's compensation	110,500	-	110,500	110,232	268
Health benefits	1,780,259	(138,359)	1,641,900	1,093,966	547,934
Tuition reimbursement	15,000	-	15,000	513	14,487
Other employee benefits	77,000	-	77,000	34,000	43,000
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,365,736	(102,151)	2,263,585	1,629,841	633,744
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	-	-
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	-	-
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	680	(680)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	456,792	(456,792)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,678,373	(1,678,373)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	311,919	(311,919)
On-Behalf TPAF Post Retirement Medical Contributions(non-budgeted)	-	-	-	-	-
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,447,764	(2,447,764)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,365,736	(102,151)	2,263,585	4,077,605	(1,814,020)
TOTAL UNDISTRIBUTED EXPENDITURES	11,762,869	(18,812)	11,744,057	12,687,712	(943,655)
TOTAL GENERAL CURRENT EXPENDITURES	15,409,939	(26,153)	15,383,786	16,017,027	(633,241)

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:	\$ -	\$ -	-	\$ -	\$ -
Special Education - Instruction:					
Undistributed expenditures - Admin Info Tech.	-	12,768	12,768	12,671	97
Total Equipment	-	12,768	12,768	12,671	97
Undistributed Expenses - Non instructional Services					
School buses - regular	40,000	849,769	889,769	849,769	40,000
Total Undistributed Expenses - Non instructional Services	40,000	849,769	889,769	849,769	40,000
Facilities Acquisition and Construction Services					
Construction services	200,000	54,000	254,000	87,872	166,128
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
Total Facilities Acquisition and Construction Services	232,350	54,000	286,350	120,222	166,128
Capital reserve - Transfer to	-	-	-	-	-
Interest Deposit to Capital Reserve	5,000	(5,000)	-	-	-
Interest Earned on Maintenance Reserve	-	-	-	-	-
Interest Earned on Emergency Reserve	-	-	-	-	-
TOTAL CAPITAL OUTLAY	277,350	911,537	1,188,887	982,662	206,225
Transfer of Funds to Charter Schools	11,808	(11,808)	-	-	-
TOTAL EXPENDITURES	15,699,097	885,384	16,572,673	16,999,689	(427,016)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,742,830)	(885,384)	(2,616,406)	(642,551)	1,973,855
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(1,742,830)	(885,384)	(2,616,406)	(642,551)	1,973,855
Fund Balance, July 1	5,684,529	-	5,684,529	5,684,529	-
Fund Balance, June 30	\$ 3,941,699	\$ (885,384)	3,068,123	\$ 5,041,978	\$ 1,973,855
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,481,878	
Emergency reserve				50,307	
Maintenance reserve				543,172	
Tuition reserve				1,000,000	
Excess surplus - current year				985,453	
Excess surplus - designated for subsequent year's expenditures				488,263	
Unemployment compensation				99,752	
Assigned Fund Balance:					
Year-end encumbrances				102,114	
Designated for subsequent year's expenditures				-	
Unassigned fund balance				291,039	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				5,041,978	
Last state aid payment not recognized on GAAP basis				(718,084)	
Fund balance per governmental funds (GAAP) - B-1				\$ 4,323,894	

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 59,580	\$ 59,580
State sources	2,068,548	(603,193)	1,465,355	1,465,355	-
Federal sources	214,571	1,387,607	1,602,178	1,471,829	(130,349)
Total Revenues	2,283,119	784,414	3,067,533	2,996,764	(70,769)
EXPENDITURES					
Instruction:					
Salaries of teachers	1,001,575	-	1,001,575	984,910	16,665
Other salaries for instruction	146,730	-	146,730	146,730	-
Purchased professional services	218,386	28,403	246,789	217,961	28,828
Tuition	315,652	-	315,652	315,652	-
Textbooks	-	-	-	-	-
Miscellaneous expenditures	42,099	-	42,099	42,099	-
General supplies	42,655	-	42,655	10,845	31,810
Total instruction	1,767,097	28,403	1,795,500	1,718,197	77,303
Support services:					
Other professional staff salaries	373,133	(12,843)	360,290	360,290	-
Secretarial/clerical salaries	24,840	-	24,840	24,840	-
Personal services - employee benefits	299,486	-	299,486	298,189	1,297
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	1,500	-	1,500	1,500	-
Purchased technical services	51,034	-	51,034	51,034	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	144,205	-	144,205	144,205	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	127,078	(28,385)	98,693	98,692	1
Student Activities	-	-	-	70,034	(70,034) Note 1
Total support services	1,021,276	(41,228)	980,048	1,048,784	(68,736)
Facilities acquisition and const. serv.:					
Noninstructional Equipment	-	-	-	-	-
Instructional equipment	292,002	(17)	291,985	240,237	51,748
Total facilities acquisition and const. serv.	292,002	(17)	291,985	240,237	51,748
Total expenditures	3,080,375	(12,842)	3,067,533	3,007,218	60,315
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	3,080,375	(12,842)	3,067,533	3,007,218	60,315
Excess (deficiency) of revenues Over (under) expenditures	\$ (797,256)	\$ 797,256	\$ -	(10,454)	\$ (10,454)
Fund Balance, July 1				63,066	
Fund Balance, June 30				\$ 52,612	
Recapitulation:					
Restricted:					
Student Activities				52,612	
Total Fund Balance				\$ 52,612	

Note 1 - Not required to budget for these funds.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 16,357,138	[C-2]	\$ 2,996,764
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		267,577
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,678,373)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		626,488		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(718,084)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 14,587,169</u>	[B-2]	<u>\$ 3,264,341</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1]	\$ 16,999,689	[C-2]	\$ 3,007,218
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,678,373)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		267,577
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 15,321,316</u>	[B-2]	<u>\$ 3,274,795</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Year Ended June 30, 2024
(Unaudited)

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0178010150%	0.0173962391%	0.0156900316%	0.0141010318%	0.0146919062%	0.0125048134%	0.0131722709%	0.0131696579%	0.0136065397%	0.0124976875%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495	\$ 4,646,937	\$ 3,282,495	\$ 2,892,763	\$ 2,253,178	\$ 2,148,053	\$ 1,560,143	\$ 2,053,414	\$ 1,810,212
District's covered-employee payroll	-	277,585	226,561	273,887	948,062	946,328	897,119	977,269	957,631	865,910
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	1457.03%	2051.08%	1198.49%	305.12%	238.10%	239.44%	159.64%	214.43%	209.05%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2024
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions	\$ 146,749	\$ 149,561	\$ 135,545	\$ 132,468	\$ 146,496	\$ 122,157	\$ 144,098	\$ 154,232	\$ 171,585	\$ 167,305
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>	<u>135,545</u>	<u>132,468</u>	<u>139,286</u>	<u>115,416</u>	<u>144,098</u>	<u>152,746</u>	<u>171,585</u>	<u>171,611</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,210</u>	<u>\$ 6,741</u>	<u>\$ -</u>	<u>\$ 1,486</u>	<u>\$ -</u>	<u>\$ (4,306)</u>
District's covered-employee payroll	\$ 277,585	\$ 226,561	\$ 273,887	\$ 948,062	\$ 946,328	\$ 897,119	\$ 977,269	\$ 957,631	\$ 865,910	\$ 853,697
Contributions as a percentage of covered-employee payroll	0.00%	66.01%	49.49%	48.37%	15.48%	13.62%	14.74%	16.11%	19.82%	19.60%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2024
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State's proportion of the net pension liability associated with the District	0.0447031709%	0.0429608354%	0.0399501732%	0.0385521044%	0.0392111685%	0.0394820776%	0.0402197142%	0.0396412049%	0.0383476264%	0.0368501193%
State's proportionate share of the net pension liability associated with the District	\$ 23,892,390	\$ 27,153,083	\$ 31,427,350	\$ 25,993,219	\$ 24,945,303	\$ 24,230,524	\$ 26,484,198	\$ 19,057,584	\$ 19,785,234	\$ 18,805,600
District's covered-employee payroll	1,155,506	966,280	1,247,572	4,235,878	4,314,959	4,355,476	4,219,087	4,443,442	4,393,191	4,221,436
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	2067.70%	2810.06%	2519.08%	613.64%	578.11%	556.32%	627.72%	428.89%	450.36%	445.48%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2024
(Unaudited)

Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023	2024
State's proportion of the OPEB liability associated with the District							
Service cost	\$ 1,212,660	\$ 1,003,918	\$ 886,871	\$ 923,826	\$ 1,628,952	\$ 1,395,762	\$ 1,009,027
Interest cost	1,095,179	1,262,191	1,170,528	934,958	946,246	800,752	1,091,026
Changes of benefit terms	-	-	-	-	(38,825)	-	-
Differences between expected and actual experiences	-	(2,973,218)	(5,269,559)	7,351,668	(7,754,751)	415,876	62,440
Changes in assumptions	(4,500,100)	(3,413,389)	389,808	7,741,434	35,987	(8,105,656)	(577,227)
Member contributions	29,538	27,489	23,790	22,363	24,191	25,445	27,959
Gross benefit payments	<u>(802,183)</u>	<u>(795,371)</u>	<u>(802,540)</u>	<u>(737,807)</u>	<u>(745,377)</u>	<u>(793,168)</u>	<u>(850,473)</u>
Net change in total OPEB liability	(2,964,906)	(4,888,380)	(3,601,102)	16,236,442	(5,903,577)	(6,260,989)	762,752
Total state's OPEB liability - beginning	<u>37,598,298</u>	<u>34,633,392</u>	<u>29,745,012</u>	<u>26,143,910</u>	<u>42,380,352</u>	<u>36,476,775</u>	<u>30,215,786</u>
Total state's OPEB liability - ending	<u>\$ 34,633,392</u>	<u>\$ 29,745,012</u>	<u>\$ 26,143,910</u>	<u>\$ 42,380,352</u>	<u>\$ 36,476,775</u>	<u>\$ 30,215,786</u>	<u>\$ 30,978,538</u>
District's covered employee payroll	<u>\$ 6,242,521</u>	<u>\$ 6,381,614</u>	<u>\$ 6,339,122</u>	<u>\$ 6,109,729</u>	<u>\$ 6,661,142</u>	<u>\$ 6,634,210</u>	<u>\$ 6,557,819</u>
Total State's OPEB liability as a percentage of covered employee payroll	555%	466%	412%	694%	548%	455%	472%

* The schedule is presented to illustrate the requirements to show information for 10 years.
However, until a full 10-year trend is compiled governments should present information
for those years for which information is available.

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2024

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

UNION BEACH SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

	Student Activity 23/24	Title I Part A 23/24	Title II Part A 23/24	IDEA-Part B-Basic Reg Prog 23/24	ASCERS 23/24	High Impact 23/24	ARP ESSER 23/24
Revenues:							
Local sources	\$ 59,580	\$ -	\$ -	\$ -	\$ -	\$ -	-
State sources	-	-	-	-	-	-	-
Federal sources	-	181,764	18,792	261,970	53,682	52,234	723,763
Total revenues	59,580	181,764	18,792	261,970	53,682	52,234	723,763
Expenditures:							
Instruction:							
Salaries of teachers	-	157,500	18,792	-	-	48,543	-
Other salaries/instruction	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	216,789
General supplies	-	364	-	-	-	-	-
Tuition	-	-	-	261,970	53,682	-	-
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
Total instruction	-	157,864	18,792	261,970	53,682	48,543	216,789
Support services:							
Other support services - students - special:							
Other professional staff salaries	-	-	-	-	-	-	62,157
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-
Other purchased professional services	-	1,500	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-	-
Employee benefits	-	22,400	-	-	-	3,691	-
Travel	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	144,205
General supplies	-	-	-	-	-	-	68,692
Miscellaneous expenses	-	-	-	-	-	-	-
Student Activities	70,034	-	-	-	-	-	-
Total other support services - students - special	70,034	23,900	-	-	-	3,691	275,054
Total support services	70,034	23,900	-	-	-	3,691	275,054
Equipment:							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	231,920
Total equipment	-	-	-	-	-	-	231,920
Total expenditures	70,034	181,764	18,792	261,970	53,682	52,234	723,763
Excess (deficiency) of revenue over expenses	(10,454)	-	-	-	-	-	-
Fund Balance, July 1	63,066	-	-	-	-	-	-
Fund Balance, June 30	\$ 52,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

UNION BEACH SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

(continued from previous page)

	ARP MENTAL HEALTH 23/24	ARP Accelerated Learning 23/24	ARP Beyond The Day School 23/24	ARP Evidence Based 23/24	SDA Emergent 23/24	Pre-school Aid 23/24	Total 2024
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,580
State sources	-	-	-	-	42,099	1,423,256	1,465,355
Federal sources	40,695	58,929	40,000	40,000	-	-	1,471,829
Total revenues	40,695	58,929	40,000	40,000	42,099	1,423,256	2,996,764
Expenditures:							
Instruction:							
Salaries of teachers	-	54,000	36,000	36,000	-	634,075	984,910
Other salaries/instruction	-	-	-	-	-	146,730	146,730
Purchased professional services	-	-	-	-	-	1,172	217,961
General supplies	-	-	1,246	1,246	-	7,989	10,845
Tuition	-	-	-	-	-	-	315,652
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	42,099	-	42,099
Total instruction	-	54,000	37,246	37,246	42,099	789,966	1,718,197
Support services:							
Other support services -							
students - special:							
Other professional							
staff salaries	-	-	-	-	-	298,133	360,290
Secretarial/Clerical	-	-	-	-	-	-	-
salaries	-	-	-	-	-	24,840	24,840
Purchased professional services	-	-	-	-	-	-	-
Other purchased professional	-	-	-	-	-	-	-
services	-	-	-	-	-	-	1,500
Purchased technical services	30,695	339	-	-	-	20,000	51,034
Employee benefits	-	4,590	2,754	2,754	-	262,000	298,189
Travel	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	144,205
General supplies	10,000	-	-	-	-	20,000	98,692
Miscellaneous expenses	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	70,034
Total other support services -	40,695	4,929	2,754	2,754	-	624,973	1,048,784
students - special							
Total support services	40,695	4,929	2,754	2,754	-	624,973	1,048,784
Equipment:							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	8,317	240,237
Total equipment	-	-	-	-	-	8,317	240,237
Total expenditures	40,695	58,929	40,000	40,000	42,099	1,423,256	3,007,218
Excess (deficiency) of revenue over expenses	-	-	-	-	-	-	(10,454)
Fund Balance, July 1	-	-	-	-	-	-	63,066
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,612

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Expenditures of Preschool Education Aid
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 634,075	\$ 634,075	\$ -
Other Salaries for Instruction	146,730	146,730	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	30,000	1,172	28,828
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	35,000	7,989	27,011
Other Objects	-	-	-
Total instruction	<u>845,805</u>	<u>789,966</u>	<u>55,839</u>
Support services:			
Salaries of Program Directors	49,134	49,134	-
Salaries of Supervisors of Instruction	36,225	36,225	-
Salaries of Other Professional Staff	66,113	66,113	-
Salaries of Secr. And Clerical Assistants	24,840	24,840	-
Other Salaries	59,352	59,352	-
Salaries of Community Parent Involvement Spec.	45,578	45,578	-
Salaries of Master Teachers	41,731	41,731	-
Personal Services - Employee Benefits	262,000	262,000	-
Purchased Technical Services	20,000	20,000	-
Supplies & Materials	20,000	20,000	-
Total support services	<u>624,973</u>	<u>624,973</u>	<u>-</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	60,064	8,317	51,747
Total Facilities acquisition and cont. serv.	<u>60,064</u>	<u>8,317</u>	<u>51,747</u>
Contribution to Charter Schools	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u><u>\$ 1,530,842</u></u>	<u><u>\$ 1,423,256</u></u>	<u><u>\$ 107,586</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total 2023-24 PreK/ECPA Aid Allocation	\$ 1,540,245
Add: Actual PreK/ECPA Aid Carryover June 30, 2023	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2023-24 Budget	1,540,245
Less: 2022-23 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(1,530,842)
Available & Unbudgeted Funds as of June 30, 2024	9,403
 Add: June 30, 2024 Unexpended PreK Aid	107,586
2024- Actual Carryover - PreK Aid	<u><u>\$ 116,989</u></u>
 2023-24 PreK Aid Carryover Budgeted in 2024-FY	<u><u>\$ -</u></u>

F. Capital Projects Fund

UNION BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2024

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2024
			Prior Years	Current Year	
ESIP Project	07/28/22	\$ 4,513,690	\$ -	\$ 2,858,214	\$ 1,655,476
Totals		<u>\$ 4,513,690</u>	<u>\$ -</u>	<u>\$ 2,858,214</u>	<u>\$ 1,655,476</u>

UNION BEACH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditures, and
 Changes in Fund Balance-Budgetary Basis
 6/30/2024

Revenues and Other Financing Sources

Loan Proceeds	\$ 1,376,850
SSB VEEVR	1,114,350
Total revenues	<u>2,491,200</u>

Expenditures and Other Financing Uses

Architectural/Engineering services	-
Construction services	2,858,214
Land and improvements	-
Total expenditures	<u>2,858,214</u>

Excess (deficiency) of revenues over (under) expenditures (367,014)

Fund balance - beginning -

Fund balance - ending \$ (367,014)

UNION BEACH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
MEMORIAL SCHOOL VENTILATION UPGRADE
From Inception and For the Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$ -	1,376,850	1,376,850	\$ 1,376,850
SSB Grant	-	1,114,350	1,114,350	1,128,850
Local Sources	-	-	-	2,007,990
Total revenues	-	2,491,200	2,491,200	4,513,690
<u>Expenditures and Other Financing Uses</u>				
Architectural/Engineering services	-	-	-	-
Construction services	-	2,858,214	2,858,214	4,513,690
Land and improvements	-	-	-	-
Total expenditures	-	2,858,214	2,858,214	4,513,690
Excess (deficiency) or revenues over (under) expenditures	\$ -	(367,014)	(367,014)	\$ -

Additional project information

Project Number	DIY ESIP
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	N/A
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	N/A
Original target completion date	N/A
Revised target completion date	N/A

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

UNION BEACH SCHOOL DISTRICT
Long-Term Debt
Schedule of Temporary Notes
For the Year Ended June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
2024 Temporary Notes	5/15/2024	\$ 1,376,850	5/15/2025	1,376,850	4.22%	-	1,376,850	-	1,376,850
						-	-	-	
						\$ -	\$ 1,376,850	\$ -	\$ 1,376,850

STATISTICAL SECTION

**Union Beach School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	103-107
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	108-111
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	112-115
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	116-117
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	118-122

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

UNION BEACH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 6,722,949	\$ 6,634,060	\$ 6,536,144	\$ 6,549,305	\$ 6,618,619	\$ 6,752,148	\$ 6,469,822	\$ 6,265,318	\$ 7,003,941	\$ 9,422,866
Restricted	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079	3,428,281	3,546,583	4,334,423
Unrestricted	(4,279,408)	(4,373,730)	(5,314,043)	(3,942,086)	(3,219,701)	(3,979,781)	(3,112,928)	(1,436,514)	(1,066,420)	(2,682,180)
Total governmental activities net position	<u>\$ 3,757,734</u>	<u>\$ 4,206,054</u>	<u>\$ 5,041,336</u>	<u>\$ 5,580,562</u>	<u>\$ 6,768,432</u>	<u>\$ 6,987,237</u>	<u>\$ 6,989,973</u>	<u>\$ 8,257,085</u>	<u>\$ 9,484,104</u>	<u>\$ 11,075,109</u>
Business-type activities										
Net investment in capital assets	\$ 88,394	\$ 71,456	\$ 54,518	\$ 37,580	\$ 20,642	\$ 3,704	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	290,707	334,366	353,565	318,439	295,647	268,535	240,189	326,579	288,823	299,007
Total business-type activities net position	<u>\$ 379,101</u>	<u>\$ 405,822</u>	<u>\$ 408,083</u>	<u>\$ 356,019</u>	<u>\$ 316,289</u>	<u>\$ 272,239</u>	<u>\$ 240,189</u>	<u>\$ 326,579</u>	<u>\$ 288,823</u>	<u>\$ 299,007</u>
District-wide										
Net investment in capital assets	\$ 6,811,343	\$ 6,705,516	\$ 6,590,662	\$ 6,586,885	\$ 6,639,261	\$ 6,755,852	\$ 6,469,822	\$ 6,265,318	\$ 7,003,941	\$ 9,422,866
Restricted	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079	3,428,281	3,546,583	4,334,423
Unrestricted	(3,988,701)	(4,039,364)	(4,960,478)	(3,623,647)	(2,924,054)	(3,711,246)	(2,872,739)	(1,109,935)	(777,597)	(2,383,173)
Total district net position	<u>\$ 4,136,835</u>	<u>\$ 4,611,876</u>	<u>\$ 5,449,419</u>	<u>\$ 5,936,581</u>	<u>\$ 7,084,721</u>	<u>\$ 7,259,476</u>	<u>\$ 7,230,162</u>	<u>\$ 8,583,664</u>	<u>\$ 9,772,927</u>	<u>\$ 11,374,116</u>

Source: ACFR Schedule A-1 and District records.

UNION BEACH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Instruction:										
Regular	\$ 3,027,074	\$ 3,122,538	\$ 3,247,016	\$ 3,509,848	\$ 3,463,079	\$ 3,521,447	\$ 3,679,540	\$ 3,916,047	\$ 3,802,411	\$ 3,852,536
Special education	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312	1,349,154	1,199,736	1,186,433	1,228,600	1,209,826
Other special education	49,083	58,027	71,241	67,579	77,471	71,465	59,538	59,910	54,648	49,299
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Instruction	5,479,405	4,997,825	4,806,689	4,768,900	4,705,161	5,362,124	5,854,261	5,242,418	5,547,416	5,783,738
Student and Instruction Services	208,988	202,977	237,744	226,880	237,911	225,442	188,383	228,704	123,439	103,353
Other support services	945,836	904,391	1,049,160	1,057,656	1,008,915	1,120,708	1,293,665	1,480,693	1,502,249	1,607,473
General Business and Administrative	297,047	330,980	326,446	318,255	338,929	407,491	414,579	389,986	427,487	423,244
School administrative services	220,470	199,165	207,752	219,510	216,155	238,651	222,769	203,401	249,742	314,491
Central services	180,681	179,429	192,899	196,134	204,650	192,062	163,940	217,891	193,343	220,930
Plant operations and maintenance	932,596	951,957	1,048,580	928,292	848,849	1,104,513	893,645	988,080	674,167	863,891
Care & upkeep of grounds	19,260	19,925	14,618	40,834	6,946	31,948	26,683	23,072	14,243	28,232
Pupil transportation	778,304	742,462	781,576	710,674	766,113	940,115	703,733	973,144	859,789	802,305
Attendance and social work	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	12,363	12,363	12,717	9,963	-	-	-	-	-	7,263
Unallocated employee benefits	1,655,501	1,749,579	1,701,127	2,044,652	1,998,742	1,517,637	1,595,449	820,099	1,411,519	1,338,883
Non-budgeted expenditures	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092	769,391
Total governmental activities expenses	<u>15,499,465</u>	<u>15,232,920</u>	<u>15,578,149</u>	<u>16,018,262</u>	<u>15,907,939</u>	<u>16,734,242</u>	<u>16,969,505</u>	<u>16,439,272</u>	<u>16,816,145</u>	<u>17,374,855</u>
Business-type activities:										
Food service/LatchKey Program	266,350	272,792	298,544	380,860	398,461	309,151	195,277	405,609	512,003	506,028
	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>266,350</u>	<u>272,792</u>	<u>298,544</u>	<u>380,860</u>	<u>398,461</u>	<u>309,151</u>	<u>195,277</u>	<u>405,609</u>	<u>512,003</u>	<u>506,028</u>
Total district expenses	<u>\$ 15,765,815</u>	<u>\$ 15,505,712</u>	<u>\$ 15,876,693</u>	<u>\$ 16,399,122</u>	<u>\$ 16,306,400</u>	<u>\$ 17,043,393</u>	<u>\$ 17,164,782</u>	<u>\$ 16,844,881</u>	<u>\$ 17,328,148</u>	<u>\$ 17,880,883</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 23,314	\$ 1,740	\$ 4,618	\$ 945	\$ 8,075	\$ 21,722	\$ 25,075	\$ 45,170	\$ 62,847	\$ 65,449
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092	769,391
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>677,709</u>	<u>675,515</u>	<u>670,394</u>	<u>690,906</u>	<u>678,781</u>	<u>673,207</u>	<u>698,659</u>	<u>754,564</u>	<u>789,939</u>	<u>834,840</u>
Business-type activities:										
Charges for services:										
Food service	101,745	103,843	107,635	120,697	126,679	78,651	362	37,045	142,767	122,830
Child care	46,035	61,587	73,530	77,865	90,485	55,710	19,276	87,166	111,357	184,492
Operating grants and contributions	127,995	134,083	119,263	129,862	141,148	130,309	143,224	367,402	219,866	208,189
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>275,775</u>	<u>299,513</u>	<u>300,428</u>	<u>328,424</u>	<u>358,312</u>	<u>264,670</u>	<u>162,862</u>	<u>491,613</u>	<u>473,990</u>	<u>515,511</u>
Total district program revenues	<u>\$ 953,484</u>	<u>\$ 975,028</u>	<u>\$ 970,822</u>	<u>\$ 1,019,330</u>	<u>\$ 1,037,093</u>	<u>\$ 937,877</u>	<u>\$ 861,521</u>	<u>\$ 1,246,177</u>	<u>\$ 1,263,929</u>	<u>\$ 1,350,351</u>
Net (Expense)/Revenue										
Governmental activities	\$ (14,821,756)	\$ (14,557,405)	\$ (14,907,755)	\$ (15,327,356)	\$ (15,229,158)	\$ (16,061,035)	\$ (16,270,846)	\$ (15,684,708)	\$ (16,026,206)	\$ (16,540,015)
Business-type activities	9,425	26,721	1,884	(52,436)	(40,149)	(44,481)	(32,415)	86,004	(38,013)	9,483
Total district-wide net expense	<u>\$ (14,812,331)</u>	<u>\$ (14,530,684)</u>	<u>\$ (14,905,871)</u>	<u>\$ (15,379,792)</u>	<u>\$ (15,269,307)</u>	<u>\$ (16,105,516)</u>	<u>\$ (16,303,261)</u>	<u>\$ (15,598,704)</u>	<u>\$ (16,064,219)</u>	<u>\$ (16,530,532)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685	\$ 6,761,259	\$ 6,986,014	\$ 7,353,717	\$ 7,500,791	\$ 7,845,458
Unrestricted grants and contributions	9,172,519	9,125,886	9,235,229	9,216,067	9,314,934	9,270,554	9,144,610	9,549,232	9,713,926	10,239,857
Investment earnings	4,992	-	8,107	9,960	3,066	9,893	7,836	7,355	13,392	7,988
Miscellaneous income	101,396	8,659	990	11,870	470,343	238,134	49,350	41,516	25,116	37,917
Loss on disposal of asset	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>15,034,965</u>	<u>15,005,725</u>	<u>15,743,037</u>	<u>15,866,582</u>	<u>16,417,028</u>	<u>16,279,840</u>	<u>16,187,810</u>	<u>16,951,820</u>	<u>17,253,225</u>	<u>18,131,020</u>
Business-type activities:										
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Investment earnings	34	-	377	372	419	431	365	386	257	701
Total business-type activities	<u>34</u>	<u>-</u>	<u>377</u>	<u>372</u>	<u>419</u>	<u>431</u>	<u>365</u>	<u>386</u>	<u>257</u>	<u>701</u>
Total district-wide	<u>\$ 15,034,999</u>	<u>\$ 15,005,725</u>	<u>\$ 15,743,414</u>	<u>\$ 15,866,954</u>	<u>\$ 16,417,447</u>	<u>\$ 16,280,271</u>	<u>\$ 16,188,175</u>	<u>\$ 16,952,206</u>	<u>\$ 17,253,482</u>	<u>\$ 18,131,721</u>
Change in Net Position										
Governmental activities	\$ 213,209	\$ 448,320	\$ 835,282	\$ 539,226	\$ 1,187,870	\$ 218,805	\$ (83,036)	\$ 1,267,112	\$ 1,227,019	\$ 1,591,005
Business-type activities	9,459	26,721	2,261	(52,064)	(39,730)	(44,050)	(32,050)	86,390	(37,756)	10,184
Total district	<u>\$ 222,668</u>	<u>\$ 475,041</u>	<u>\$ 837,543</u>	<u>\$ 487,162</u>	<u>\$ 1,148,140</u>	<u>\$ 174,755</u>	<u>\$ (115,086)</u>	<u>\$ 1,353,502</u>	<u>\$ 1,189,263</u>	<u>\$ 1,601,189</u>

Source: ACFR Schedule A-2 and District records.

UNION BEACH SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ -	\$ -	\$ 3,076,309	\$ 3,715,786	\$ 3,912,334	\$ 3,882,461	\$ 3,563,762	\$ 3,363,332	\$ 3,483,517	\$ 4,648,825
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	761,269	160,568	577,810	332,409	204,127	446,888	1,911,487	102,114
Unassigned	-	-	(396,782)	(381,652)	(385,869)	(340,816)	114,395	879,201	(336,963)	(427,045)
Reserved	2,682,507	3,006,219	-	-	-	-	-	-	-	-
Unreserved	(469,633)	(497,515)	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 2,212,874</u>	<u>\$ 2,508,704</u>	<u>\$ 3,440,796</u>	<u>\$ 3,494,702</u>	<u>\$ 4,104,275</u>	<u>\$ 3,874,054</u>	<u>\$ 3,882,284</u>	<u>\$ 4,689,421</u>	<u>\$ 5,058,041</u>	<u>\$ 4,323,894</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (367,014)
Restricted										
Special revenue fund	(14,850)	(10,415)	(18,343)	(45,926)	(69,122)	-	-	-	-	-
Student Activities	-	-	-	-	-	-	69,317	64,949	63,066	52,612
Total all other governmental funds	<u>\$ (14,850)</u>	<u>\$ (10,415)</u>	<u>\$ (18,343)</u>	<u>\$ (45,926)</u>	<u>\$ (69,122)</u>	<u>\$ -</u>	<u>\$ 69,317</u>	<u>\$ 64,949</u>	<u>\$ 63,066</u>	<u>\$ (681,416)</u>

Source: ACFR Schedule B-1 and District records.

UNION BEACH SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685	\$ 6,761,259	\$ 6,986,014	\$ 7,353,717	\$ 7,500,791	\$ 7,845,458
Tuition charges	23,314	1,740	4,618	945	8,075	21,722	4,256	165	-	5,869
Interest earnings	4,992	-	8,107	9,960	3,066	9,893	7,836	7,355	13,392	7,988
Miscellaneous	101,396	8,659	990	11,870	149,222	238,134	70,169	86,521	87,963	97,497
State sources	9,259,437	9,233,312	9,364,016	9,386,034	9,288,416	9,367,400	9,013,980	9,166,657	9,048,539	9,541,341
Federal sources	567,477	566,349	536,989	519,994	697,224	554,639	804,214	1,091,969	1,392,479	1,467,707
Total revenue	15,712,674	15,681,240	16,413,431	16,557,488	16,774,688	16,953,047	16,886,469	17,706,384	18,043,164	18,965,860
Expenditures										
Instruction										
Regular Instruction	3,027,074	3,122,538	3,247,016	3,509,848	3,463,079	3,521,447	3,679,540	3,916,047	3,802,411	3,852,536
Special education instruction	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312	1,349,154	1,199,736	1,186,433	1,228,600	1,209,826
Other special instruction	49,083	58,027	71,241	67,579	77,471	71,465	59,538	59,910	54,648	49,299
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	5,252,152	4,771,396	4,572,594	4,564,452	4,480,711	5,166,110	5,668,208	5,053,665	5,323,730	5,546,574
Student & inst. related services	208,988	202,977	237,744	226,880	237,911	225,442	188,383	228,704	123,439	103,353
General administration	285,427	319,402	314,476	307,912	327,574	394,701	402,439	377,670	412,891	407,769
School administrative services	220,470	199,165	207,752	219,510	216,155	238,651	222,769	203,401	249,742	314,491
Central services	180,681	179,429	192,899	196,134	204,650	192,062	163,940	217,891	193,343	220,930
Security	5,998	17,811	48,508	74,257	68,535	62,692	74,933	80,585	5,511	18,454
Plant operations and maintenance	839,033	854,149	919,143	803,887	798,693	874,336	744,636	856,014	668,575	760,064
Pupil transportation	769,047	733,239	772,040	702,496	757,135	932,976	696,957	966,270	851,643	793,667
Other Support Services	945,246	903,803	1,048,552	1,009,551	956,103	1,061,219	1,237,200	1,423,409	1,434,363	1,535,496
Care & upkeep of grounds	19,260	19,925	14,618	40,834	6,946	31,948	26,683	23,072	14,243	28,232
Employee benefits	1,712,495	1,843,333	1,721,937	2,058,243	2,079,452	1,764,012	1,802,964	1,488,946	1,533,178	1,629,841
Non-budgeted expenditures	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092	769,391
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	144,718	238,926	239,222	334,383	348,529	576,446	53,184	112,204	1,053,018	4,214,402
Debt service:										
Principal	-	-	-	449,642	449,505	-	-	-	-	-
Interest and other charges	-	-	-	46,472	1,965	-	-	-	-	-
Total expenditures	15,352,529	15,225,422	15,488,326	16,531,165	16,509,432	17,114,146	16,894,694	16,903,615	17,676,427	21,454,325
Excess (Deficiency) of revenues over (under) expenditures	360,145	455,818	925,105	26,323	265,256	(161,099)	(8,225)	802,769	366,737	(2,488,465)
Other Financing sources (uses)										
Proceeds from borrowing	156,494	-	-	-	-	-	-	-	-	1,376,850
Repayment of CDL	-	(156,494)	-	-	-	-	-	-	-	-
Insurance proceeds for storm expense reimbursements	-	-	-	-	321,121	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	156,494	(156,494)	-	-	321,121	-	-	-	-	1,376,850
Net change in fund balances	516,639	299,324	925,105	26,323	586,377	(161,099)	(8,225)	802,769	366,737	(1,111,615)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	3.06%	2.79%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

UNION BEACH SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
Fiscal Year							
Ending June 30,							
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659
2017	-	-	-	-	-	990	990
2018	-	-	-	-	-	11,870	11,870
2019	-	-	-	-	-	149,222	149,222
2020	-	-	-	-	-	5,000	5,000
2021	-	-	4,250	-	-	45,100	49,350
2022	-	-	-	-	-	41,516	41,516
2023	-	-	-	-	-	18,716	18,716
2024	-	-	-	-	-	37,917	37,917

Source: District records

UNION BEACH SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2017	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2018	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2019	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2020	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2021	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2022	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2023	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2024	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A

Source: Municipal Tax Assessor

UNION BEACH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Union Beach School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct J-7	Borough of Union Beach	Monmouth County	
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A
2017	N/A	0.000	N/A	N/A	N/A	N/A
2018	N/A	0.000	N/A	N/A	N/A	N/A
2019	N/A	0.000	N/A	N/A	N/A	N/A
2020	N/A	0.000	N/A	N/A	N/A	N/A
2021	N/A	0.000	N/A	N/A	N/A	N/A
2022	N/A	0.000	N/A	N/A	N/A	N/A
2023	N/A	0.000	N/A	N/A	N/A	N/A
2024	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

UNION BEACH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED

Taxpayer	2024			Taxpayer	2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Not Available							
Total	\$ -		0.00%	Total	\$ -		0.00%

Source: Municipal Tax Assessor

UNION BEACH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A

Source: District records including the Certificate
and Report of School Taxes (A4F form)

UNION BEACH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)		Capital Leases			
2015	\$ -	\$ -	\$ -	\$ -	\$ 484,415	\$ -	\$ 484,415	0.00%	-
2016	-	-	-	-	314,008	-	314,008	0.00%	-
2017	-	-	-	-	340,747	-	340,747	0.00%	-
2018	-	-	-	-	379,682	-	379,682	0.00%	-
2019	-	-	-	-	397,621	-	397,621	0.00%	-
2020	-	-	-	-	334,543	-	334,543	0.00%	-
2021	-	-	-	-	308,543	-	308,543	0.00%	-
2022	-	-	-	-	301,517	-	301,517	0.00%	-
2023	-	-	-	-	573,766	-	573,766	0.00%	-
2024	-	-	-	1,376,850	539,168	-	1,916,018	0.00%	-

Source: District ACFR Schedules I-1, I-2

UNION BEACH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A
2024	-	-	-	N/A	N/A

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

N/A At the time of ACFR completion, this data was not yet available

UNION BEACH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Union Beach	0	0.000%	0
Monmouth County General Obligation Debt	0	0.000%	0
Other debt			
Subtotal, overlapping debt			0
Union Beach School District Direct Debt			<u>N/A</u>
Total direct and overlapping debt			<u><u>\$ -</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation

UNION BEACH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED

Equalized valuation basis		
2024	\$	-
2023	\$	-
2022	\$	-
[A]	\$	-
[A/3]		\$ -
(3 % of average equalization value)	[B]	\$ - a
Net bonded school debt	[C]	\$ -
Legal debt margin	[B-C]	\$ -

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

UNION BEACH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	5,461	N/A	N/A	10.9%
2016	5,439	N/A	N/A	10.9%
2017	5,402	N/A	N/A	10.9%
2018	5,359	N/A	N/A	10.9%
2019	5,315	N/A	N/A	N/A
2020	5,296	N/A	N/A	N/A
2021	5,723	N/A	N/A	N/A
2022	5,705	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A

Source:

^a Population information provided by the NJ Dept. of Labor and Workforce Development

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

^d Unemployment data provided by the NJ Dept. of Labor and Workforce Development

N/A At the time of ACFR completion, this data was not available

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UNION BEACH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	62	62	62	52	52	52	52	50	44	44
Special education	23	23	23	26	26	26	26	26	21	21
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	16	16	16	33	33	33	28	27	21	21
General administrative services	1	1	1	2	2	2	2	2	2	2
School administrative services	2	2	2	2	2	2	2	2	2	2
Other Administrative Services	5	5	5	6	6	6	6	6	6	6
Business administrative services	-	-	-	2	2	2	2	2	2	2
Plant operations and maintenance	10	10	10	7	7	7	7	7	7	7
Pupil transportation	4	4	4	5	5	5	3	3	5	5
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Total	<u>123</u>	<u>123</u>	<u>123</u>	<u>135</u>	<u>135</u>	<u>135</u>	<u>128</u>	<u>125</u>	<u>110</u>	<u>110</u>

Source: District Personnel Records

UNION BEACH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2015	635	14,869,096	23,416	-6.51%	85	7.5	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	15,232,920	24,256	3.59%	85	7.4	0.0	0.0	628.0	628.0	-45.77%	100.00%
2017	592	15,203,041	25,681	5.87%	85	7.0	0.0	0.0	628.0	628.0	-45.77%	100.00%
2018	637	16,018,262	25,146	-2.08%	78	8.2	0.0	0.0	637.0	637.0	-44.99%	100.00%
2019	642	15,709,433	24,470	-4.72%	78	8.2	0.0	0.0	642.0	642.0	-44.56%	100.00%
2020	648	15,838,227	24,442	-4.83%	78	8.3	0.0	0.0	648.0	648.0	-44.04%	100.00%
2021	648	16,484,969	25,440	-0.94%	78	8.3	0.0	0.0	648.0	648.0	0.00%	100.00%
2022	639	16,449,756	25,743	0.24%	78	8.2	0.0	0.0	639.0	639.0	-1.39%	100.00%
2023	607	16,221,811	26,725	3.81%	78	7.8	0.0	0.0	607.0	607.0	-5.01%	100.00%
2024	622	16,999,689	27,331	6.17%	78	8.0	0.0	0.0	622.0	622.0	-2.66%	100.00%

Sources: District records and Schedules J-12, J-14

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

UNION BEACH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District Building^a										
<u>Elementary</u>										
Memorial School										
Square Feet	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,099
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	794	628	628	628	642	648	585	639	607	622
<u>Other</u>										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818

Number of Schools at June 30, 2024

 Elementary = 1

 Middle School = 0

 Other = 1

Source: District Facilities Office

^a Increases in square footage and capacity are the result of additions

Enrollment is based on the annual October District count

^b At the time of ACFR completion, this data was not yet available

UNION BEACH SCHOOL DISTRICT
Schedule of Required Maintenance By School
Last Ten Fiscal Years
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

* School Facilities Project # (s)	Memorial School	Florence Avenue	Total
	<hr/>	<hr/>	<hr/>
2015	126,772	13,000	139,772
2016	138,160	-	138,160
2017	190,965	-	190,965
2018	183,203	-	183,203
2019	127,259	-	127,259
2020	270,643	-	270,643
2021	192	-	192
2022	54,319	-	54,319
2023	29,783	-	29,783
2024	47,832	-	47,832
Total School Facilities	<hr/> <u>\$ 1,169,128</u>	<hr/> <u>\$ 13,000</u>	<hr/> <u>\$ 1,182,128</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

UNION BEACH SCHOOL DISTRICT
Insurance Schedule
For the Year Ended June 30, 2024
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
Arthur J Gallagher Broker	Property	33,355,426	5,000
	Blanket Building & Contents		
	Business Income & Extra Exp.		
New Jersey School Boards	Flood	500,000	5,000
Insurance Group	Equipment Breakdown (Blanket)		
	Per Breakdown	33,355,426	5,000
	Commercial Liability		
	Bodily Injury & Property Damage		
	Each Occurrence		
	General Aggregate		
	Damage to Premises Rented		
	Medical Payments		
	Personal & Advertising Injury		
	Employee Benefits Liability		
	Crime	100,000	1,000
	Employee Theft		
	Forgery or Alteration		
	Computer Fraud		
	Business Auto		
	Combined Single Limit	31,000,000	1,000
	Personal Injury Protection		
	Medical Payments		
	Uninsured & Underinsured		
	Comprehensive Deductible		
	Collision Deductible		
	School Board Legal		
	Limit of Liability	31,000,000	5,000
	Worker's Compensation		-
	Each accident	3,000,000	
	Each employee	3,000,000	
	Student Accident		
	Maximum Benefit	100,000	
	Bonds		
	Business Adm./Board Sec'y.	250,000	1,000
	Environmental Policy		
	Each Incident	500,000	25,000
	Aggregate		
	CAP Program		
	Each Occurrence	25,000,000	
	Aggregate		

Source: District Records

SINGLE AUDIT SECTION



K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of the Union Beach School District basic financial statements, and have issued our report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Beach School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union Beach School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union Beach School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Union Beach School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 16, 2024



K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

Report on Compliance for Each Major Federal and State Program
Opinion on Each Major Federal and State Program

We have audited Union Beach School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Union Beach School District's major federal and state programs for the year ended June 30, 2024. Union Beach School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Union Beach School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Union Beach School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Union Beach School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Union Beach School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Union Beach School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Union Beach School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Union Beach School District's, compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Union Beach School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Union Beach School District's, internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08,. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry, & Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 16, 2024

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2023	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2024	(Accounts Receivable) at June 30, 2024	Due to Grantor at June 30, 2024
U.S. Department of Agriculture Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	241NJ304N1099	7/1/23-6/30/24	28,676	-	-	28,676	(28,676)	-	-	-	-
P-EBT Administrative Cost Grant	10.649	2022225900941	7/1/23-6/30/24	653	-	-	653	(653)	-	-	-	-
Supply Chain Assistance Funding	10.555	231NJ304N1099	7/1/23-6/30/24	19,205	-	-	19,205	(19,205)	-	-	-	-
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	7,351	-	-	5,665	(7,351)	-	-	(1,686)	-
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	126,672	(7,912)	-	7,912	-	-	-	-	-
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	143,344	-	-	114,756	(143,344)	-	-	(26,902)	-
Subtotal of Child Nutrition Cluster					(7,912)	-	176,867	(199,229)	-	-	(28,588)	-
Total U.S. Department of Agriculture					(7,912)	-	176,867	(199,229)	-	-	(28,588)	-
U.S. Department of the Treasury Passed-through State Department of Education:												
NJ High Impact Tutoring	21.027	C8220COVID19	10/11/23-8/31/24	74,955	-	-	-	(52,234)	-	-	(52,234)	-
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	07/01/23-6/30/24	53,682	-	-	53,682	(53,682)	-	-	-	-
Total U.S. Department of Treasury					-	-	53,682	(105,916)	-	-	(52,234)	-
U.S. Department of Education Passed-through State Department of Education:												
Title I	84.010	S010A230030	9/1/22-8/31/23	181,032	(181,032)	-	181,032	-	-	-	-	-
Title I	84.010	S010A240030	9/1/23-8/31/24	181,764	-	-	18,112	(181,764)	-	-	(163,652)	-
Title II Part A	84.367	S367A230029	9/1/22-8/31/23	29,325	(29,325)	-	29,325	-	-	-	-	-
Title II Part A	84.367	S367A240029	9/1/23-8/31/24	18,792	-	-	-	(18,792)	-	-	(18,792)	-
Title IV	84.424	S424A230031	7/1/22-9/30/23	11,400	(11,400)	-	11,400	-	-	-	-	-
Education Stabilization Fund Elementary and Secondary Education Cluster:												
ESSER II - CRRSA	84.425D	S425D210027	3/13/20-9/30/23	727,308	(558,632)	-	558,632	-	-	-	-	-
ESSER II - CR Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	46,675	(2,424)	-	2,424	-	-	-	-	-
ESSER II - CR Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(870)	-	870	-	-	-	-	-
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,634,579	(392,045)	-	297,509	(723,763)	-	-	(818,299)	-
ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	70,329	-	-	-	(58,929)	-	-	(58,929)	-
ARP Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	(40,000)	-	-	(40,000)	-
ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	(40,000)	-	-	(40,000)	-
ARP ESSER III-NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(4,305)	-	-	(40,695)	-	-	(45,000)	-
Total Elementary and Secondary Education Cluster					(958,276)	-	859,435	(903,387)	-	-	(1,002,228)	-
Special Education Cluster:												
I.D.E.A. Part B Basic Regular	84.027	H027A220100	9/1/22-8/31/23	247,498	(140,246)	-	140,246	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	H027A230100	9/1/23-8/31/24	261,970	-	-	-	(261,970)	-	-	(261,970)	-
I.D.E.A. Part B Preschool	84.173	H173A210114	9/1/21-8/31/22	14,472	(15,168)	-	15,168	-	-	-	-	-
Subtotal of Special Education Cluster					(155,414)	-	155,414	(261,970)	-	-	(261,970)	-
Total U.S. Department of Education					(1,335,447)	-	1,254,718	(1,365,913)	-	-	(1,446,642)	-
Total Expenditures of Federal Awards					<u>\$ (1,343,359)</u>	<u>\$ -</u>	<u>\$ 1,485,267</u>	<u>\$ (1,671,058)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,527,464)</u>	<u>\$ -</u>

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2024

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2024	(Accounts Receivable) at June 30, 2024	Due to Grantor at June 30, 2024	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	24-495-034-5120-014	7/1/22-6/30/23	\$ 38,322	\$ -	\$ -	33,516	\$ (38,322)	\$ -	\$ -	\$ -	\$ -	\$ 4,806	38,322
Equalization Aid	24-495-034-5120-078	7/1/22-6/30/23	4,576,368	-	-	4,002,434	(4,576,368)	-	-	-	-	573,934	4,576,368
Special Education Aid	24-495-034-5120-089	7/1/22-6/30/23	829,691	-	-	725,637	(829,691)	-	-	-	-	104,054	829,691
Security Aid	24-495-034-5120-084	7/1/22-6/30/23	281,392	-	-	246,102	(281,392)	-	-	-	-	35,290	281,392
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	326,743	(326,743)	-	326,743	-	-	-	-	-	-	-
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	276,640	-	-	-	(276,640)	-	-	(276,640)	-	-	276,640
Nonpublic Transportation Aid	24-100-034-5120-068	7/1/22-6/30/23	9,729	-	-	-	(9,729)	-	-	(9,729)	-	-	9,729
Nonpublic Transportation Aid	23-100-034-5120-068	7/1/21-6/30/22	8,435	(8,435)	-	8,435	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	1,678,373	-	-	1,678,373	(1,678,373)	-	-	-	-	-	1,678,373
On-Behalf TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	456,792	-	-	456,792	(456,792)	-	-	-	-	-	456,792
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	680	-	-	680	(680)	-	-	-	-	-	680
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	334,697	(1,441)	-	1,441	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	7/1/23-6/30/24	311,919	-	-	296,228	(311,919)	-	-	(15,691)	-	-	311,919
Total General Fund				(336,619)	-	7,776,381	(8,459,906)	-	-	(302,060)	-	718,084	8,459,906
Special Revenue Fund:													
Climate Awareness grant	23-100-034-5063-359	7/1/22-6/30/23	6,660	(6,660)	-	6,660	-	-	-	-	-	-	-
SDA Emergency	24-100-034-5120-519	7/1/23-6/30/24	42,099	-	-	42,099	(42,099)	-	-	-	-	-	42,099
Preschool Education Aid	24-495-034-5120-086	7/1/22-6/30/23	1,540,245	-	-	1,540,245	(1,423,256)	-	116,989	-	-	-	1,423,256
Total Special Revenue Fund				(6,660)	-	1,589,004	(1,465,355)	-	116,989	-	-	-	1,465,355
State Department of Agriculture													
Enterprise Fund													
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	7,387	(368)	-	368	-	-	-	-	-	-	-
State School Lunch Program	23-100-010-3350-023	7/1/23-6/30/24	8,960	-	-	7,231	(8,960)	-	-	(1,729)	-	-	8,960
Total Special Revenue Fund				(368)	-	7,599	(8,960)	-	-	(1,729)	-	-	8,960
Total Expenditures of State Awards				(343,647)	-	9,372,984	(9,934,221)	-	116,989	(303,789)	-	718,084	9,934,221
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	1,678,373	-	-	1,678,373	(1,678,373)	-	-	-	-	-	1,678,373
On-Behalf TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	456,792	-	-	456,792	(456,792)	-	-	-	-	-	456,792
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	680	-	-	680	(680)	-	-	-	-	-	680
Total State Financial Assistance Not Subject to Single Audit Determination				-	-	2,135,845	(2,135,845)	-	-	-	-	-	2,135,845
Total Expenditures of State Awards Subject to Single Audit Determination				\$ (343,647)	\$ -	\$ 7,237,139	\$ (7,798,376)	\$ -	\$ 116,989	\$ (303,789)	\$ -	\$ 718,084	\$ 7,798,376

See accompanying notes to schedules of expenditures.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2024

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Union Beach School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2024

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,769,969) for the general fund and \$267,577 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 6,689,937	\$ 6,689,937
Special Revenue Fund	1,467,707	1,737,054	3,204,761
Debt Service Fund	-	-	-
Food Service Fund	<u>199,229</u>	<u>8,533</u>	<u>207,762</u>
Total awards and financial assistance	\$ <u>1,666,936</u>	\$ <u>8,435,524</u>	\$ <u>10,102,460</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. Other

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2024.

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Union Beach School District
Schedule of Findings and Questioned Costs

June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? ☐ yes ☒ no
- 2) Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to basic financial statements noted? ☐ yes ☒ no

Federal Awards:

Internal Control over major programs:

- 1) Material weakness(es) identified? ☐ yes ☒ no
- 2) Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? ☐ yes ☒ no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
		Education Stabilization Fund:
84.425U	S425U210027	American Rescue Plan- Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Union Beach School District
Schedule of Findings and Questioned Costs (continued)

June 30, 2024

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes ____ no

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Internal Control over major programs:

1) Material weakness(es) identified? ____ yes X no

2) Significant deficiencies identified that
are not considered to be material
weaknesses? ____ yes X none reported

Any audit findings disclosed that are required
to be reported in accordance with NJOMB
Circular Letter 15-08? ____ yes X no

Identification of major programs:

<u>State grant/Project Number(s)</u>	<u>Name of State Program</u>
State Aid-Cluster	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-086	Preschool Education Aid

Union Beach School District

Summary of Findings and Questioned Costs (continued)

June 30, 2024

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

Union Beach School District
Summary Schedule of Prior Year Audit Findings

June 30, 2024

Summary Schedule of Prior Year Audit Findings - N/A